BOARD of GOVERNORS

Wednesday, January 22, 2020 | 1:15 p.m. - 4:30 p.m.
University Centre | Meeting Room 442

OPEN SESSION MEETING AGENDA

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Board Meeting Information

Teleconference details are included on the closed session agenda.

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71 - 77  c) Capital Project: OVC Phase 1 & 2 - Revision to Approved Project [Motion]
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6. Governance & Human Resources Committee Report
85 - 86  a) Report from Committee Chair
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7. Pensions Committee Report
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CONSENT ITEMS

1. Welcome, Approval of Agenda and Business Arising
103 - 115  c) Approval of the Minutes of October 23, 2019 [Motion] [CONSENT]

2. President's Report
117 - 120  c) Synopsis of the November 25, 2019 Senate Meeting [CONSENT]

5. Finance Committee Report
121 - 142  e) University of Guelph and University of Guelph-Humber Semester Reports [CONSENT]

6. Governance & Human Resources Committee Report
143 - 159  c) Health and Safety Compliance Report [CONSENT]
161 - 163  d) Board of Governors Meeting Dates 2020-23 [CONSENT]

7. Pensions Committee Report
165 - 190  c) Update to Statement of Investment Policies and Procedures [Motion] [CONSENT]

Addenda Items
191 - 196  5 b) Proposed 2020-21 Capital Plan [Motion]

Next Board of Governors Meeting: Wednesday, April 22, 2020
To: Members of the Board of Governors  
From: Gen Gauthier-Chalifour, University Secretary  
Subject: Board Strategy and Engagement Session  
Meeting: Wednesday, January 22, 2020

A pre-meeting strategy and engagement session for Governors will be held in advance of the regular meeting. A joint meeting with the Senate Priorities and Planning Committee, including a tour of Student Wellness Services and an informal dinner will follow the regular meeting.

A brief itinerary for the day is provided below. Materials for the pre-meeting strategy and engagement session will be circulated to Governors under separate cover.

<table>
<thead>
<tr>
<th>Time</th>
<th>Item</th>
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</thead>
<tbody>
<tr>
<td>11:30 a.m.</td>
<td>Board Members arrive. Lunch available.</td>
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<tr>
<td>11:45 a.m. – 12:45 p.m.</td>
<td>Strategy Session – Nurturing a Distinctive University Culture</td>
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<td></td>
<td>“Campus Wellness”</td>
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<td></td>
<td>Martha Harley</td>
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<td>Carrie Chassels</td>
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<tr>
<td>12:45 p.m. – 1:00 p.m.</td>
<td>Engagement Session – Nurturing a Distinctive University Culture</td>
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<td>“First Response”</td>
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<td>First Response Team</td>
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<td>1:00 p.m. – 1:15 p.m.</td>
<td>Break</td>
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<tr>
<td>1:15 p.m. – 3:00 p.m.</td>
<td>Open Session</td>
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<tr>
<td>3:00 p.m. – 3:15 p.m.</td>
<td>Break</td>
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<td>3:15 p.m. – 4:30 p.m.</td>
<td>Closed Session</td>
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<td>4:30 p.m. – 5:00 p.m.</td>
<td>Transition to John T. Powell Building</td>
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<tr>
<td>5:00 p.m. – 5:15 p.m.</td>
<td>Introductions &amp; Student Wellness Services Overview</td>
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<td></td>
<td>Alison Burnett</td>
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<td>Carrie Chassels</td>
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<tr>
<td>5:15 p.m. – 5:45 p.m.</td>
<td>Student Wellness Services Tour</td>
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<td>5:45 p.m. – 6:00 p.m.</td>
<td>Transition to Dinner Location</td>
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<tr>
<td>6:00 p.m. – 7:30 p.m.</td>
<td>Informal Dinner</td>
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### Board Members

<table>
<thead>
<tr>
<th>Board Members</th>
<th>Administrative Support</th>
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<tbody>
<tr>
<td>Shauneen Bruder (Chair)</td>
<td>Daniel Atlin (VP External)</td>
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<tr>
<td>Franco Vaccarino (President &amp; Vice-Chancellor)</td>
<td>Malcolm Campbell (VP Research)</td>
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<tr>
<td>Nancy Brown Andison (Vice-Chair)</td>
<td>Don O'Leary (VP Finance, Administration &amp; Risk)</td>
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<tr>
<td>Rich Appiah</td>
<td>Charlotte Yates (Provost &amp; VP Academic)</td>
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<td>Gerrit Bos</td>
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<td>Andrew Duncan</td>
<td>Harry Bakker (AVP Physical Resources)</td>
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<tr>
<td>Theresa Firestone</td>
<td>Carrie Chassels (Vice-Provost Student Affairs)</td>
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<tr>
<td>Eleanor Fritz</td>
<td>Audrey Jamal (Chief of Staff to the President)</td>
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<tr>
<td>Paul Gibson</td>
<td>Lori Kimball (AVP Financial Services)</td>
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<tr>
<td>Bill Hogarth</td>
<td>Martha Harley (AVP Human Resources)</td>
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<tr>
<td>Danyelle Liddle</td>
<td>Mellissa McDonald (Director, Government Relations)</td>
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<td>Stuart McCook</td>
<td>Karen Menard (AVP Institutional Analysis and Research)</td>
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<td>Michael Pacheco</td>
<td>Jason Moreton (AVP Advancement)</td>
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<tr>
<td>Neil Parkinson</td>
<td>Mary Murphy (General Counsel)</td>
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<td>Prashant Pathak</td>
<td>Murray Perkins (Chief Internal Auditor)</td>
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<tr>
<td>Carol Poulsen</td>
<td>John Walsh (Vice-Provost Guelph-Humber)</td>
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<tr>
<td>Glen Pyle</td>
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<tr>
<td>Byron Sheldrick</td>
<td>Ben Doadt (Associate University Secretary, Board)</td>
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<tr>
<td>Deb Stark</td>
<td>Ted Cogan (University Secretariat-Special Projects Assistant)</td>
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<tr>
<td>Cameron Stotts</td>
<td>Jackée Colquhoun (University Secretariat- Governance Assistant)</td>
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<tr>
<td>Irene Thompson</td>
<td>Jackie Gillis (Minute Taker)</td>
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<tr>
<td>Gen Gauthier-Chalifour (University Secretary)</td>
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<tr>
<td>Virginia McLaughlin (Chair, Board of Trustees)</td>
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### Regrets

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<th>Visitors</th>
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<td>Martha Billes (Chancellor)</td>
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### Visitors

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<td>Martha Billes (Chancellor)</td>
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Territorial Acknowledgement

We acknowledge that the University of Guelph resides on the ancestral lands of the Attawandaron (at-ta-won-da-ron) people and more recently, the treaty lands and territory of the Mississaugas of the Credit. We recognize the significance of the Dish with One Spoon Covenant to this land and offer our respect to our Anishinaabe (ah-nish-nah-bay), Haudenosaunee (ho-deh-no-show-nee) and Métis (may-tee) neighbours as we strive to strengthen our relationships with them.

Today, this gathering place is home to many First Nations, Métis and Inuit peoples and acknowledging them reminds us of our important connection to this land where we learn and work.
To: Members of the Board of Governors
From: Gen Gauthier-Chalifour, University Secretary
Subject: 1. Welcome, Approval of Agenda and Minutes
Meeting: Wednesday, January 22, 2020

Call to Order

The Chair will call the regular meeting of the Board of Governors to order, and offer welcome and introductory remarks.

Declaration of Conflict of Interest

Governors will be invited to declare any conflicts of interest in respect of the meeting agenda, including consent items.

a) Approval of the Agenda and Consent Items

Governors wishing to have an item removed from consent to the regular agenda are asked to contact the University Secretary in advance of the meeting. Governors may also request to have items moved to the regular agenda immediately prior to the approval of the agenda. The memo originally circulated to the Board on September 23, 2019 regarding use of consent agendas is enclosed for information.

The Board of Governors is asked to,
RESOLVE, that the January 22, 2020 meeting agenda be approved, as presented; and

FURTHER RESOLVE, that the items listed below be approved, or received for information, by consent.

1. b) Approval of the Minutes of October 23, 2019
RESOLVE, the minutes of October 23, 2019 be approved, as presented.

2. c) Synopsis of the November 25, 2019 Senate Meeting
This item received for information

4. f) University of Guelph and University of Guelph-Humber Semester Reports
This item received for information
c) Health and Safety Compliance Report  
This item received for information

d) Board of Governors Meeting Dates 2020-23  
This item received for information

c) Update to Statement of Investment Policies and Procedures  
RESOLVE, that the Board of Governors accept and approve the Statement of Investment Policies and Procedures for each of the Professional Pension Plan, Retirement Pension Plan and Non-Professional Pension Plan.

c) Business Arising

Senate Committee on Quality Assurance Annual Report – The Senate Committee on Quality Assurance Annual Report was referenced in the October 23, 2019 meeting package but was not available at that time. The annual report is now available.1

All other matters of business arising are addressed throughout the meeting agenda.

1 https://uoguelph.civicweb.net/document/171112
To: Shauneen Bruder, Chair, Board of Governors

From: Gen Gauthier-Chalifour, University Secretary  Date: September 23, 2019

Subject: Consent Agendas

**Content of Consent Agendas**

A consent agenda will allow the Board and its committees to approve routine, procedural or non-controversial items together without needing to vote repeatedly on individual motions. Consent agenda items usually do not require discussion or explanation prior to the Board taking action, or they have already been discussed at a previous Board meeting and are being brought forward again for formal approval.

Items that are often seen on consent agendas include:
- Approval of the minutes
- Non-controversial appointments and renewals
- Housekeeping amendments to previously approved policies
- Committee reports that are presented to the Board for information or that contain routine recommendations requiring Board approval
- Routine reports provided to the Board for the purpose of placing them on the public record

**Purpose of Consent Agendas**

Consent agendas are intended to assist with time management at meetings and ensure that there is sufficient opportunity for the consideration and discussion of policy and strategy matters. Consent agendas also help pivot the focus of meetings from process to discussion, which helps better leverage the expertise of the Board and strengthens the quality of University governance.

**Use of Consent Agendas**

Consent agendas are not intended to disguise important issues or stifle discussion and, as such, they should be employed in keeping with the following best practices:

- Materials must be distributed in sufficient time to be read by all members prior to the meeting
- Items included in the consent agenda must be clearly identified.
  - We would do this both on the agenda itself and by providing members with a separate listing of every item on the consent agenda
- At the beginning of the meeting, the Chair must highlight those matters proposed for the consent agenda and ask members whether there are any items they wish to have removed from the consent agenda
  - Members may also contact the University Secretary in advance of the meeting to have an item removed from the consent agenda
• Members may request that an item be removed for any reason. Most often items are removed in order to:
  o Facilitate further discussion
  o Facilitate voting against or abstaining from voting on an item\(^1\)
  o Because a conflict of interest exists\(^2\)
• When there are no more items to be removed, the motion to approve the meeting agenda, including the consent agenda, is moved and seconded. The consent items, including any related motions, would then be considered approved as part of the overall approval of the meeting agenda.
• Minutes of the meeting will reflect which items were approved as part of the consent agenda.

**Items Removed**
Items removed from the consent agenda will be considered in the normal sequence of the Board’s agenda.

**Reconsideration of Approved Consent Items**
After the consent agenda is approved, it is procedurally time consuming to call a separate vote on an already approved consent item. Given that one purpose of consent agendas is to reduce the time spent on procedural matters, the Chair may ask members to give careful consideration to the need to reconsider an approved consent item. The one exception to this practice is when a member failed to declare a conflict of interest on an item approved as part of the consent agenda.\(^3\) In this case the Chair must facilitate a separate vote once the conflict is identified.

Time permitting, members are welcome to ask questions about items approved as part of the consent agenda later in the meeting. However, it is preferable that items requiring meaningful discussion be removed from the consent agenda.

**Authority**
Board of Governors Bylaw No. 1 gives the Board Chair authority over the construction of the agenda (5.9) and over procedural matters generally (17.2). The Secretary provides advice to the Board Chair in keeping with the Board’s procedural reference, *Procedures for Meetings and Organizations, 3rd Edition* by Kerr & King. This reference does not consider the use of consent agendas and, as such, the advice of the Secretary is based on a scan of best practices in the higher education and municipal sectors.

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\(^{1}\) If a member wishes to abstain from voting on, or vote against, an item on the consent agenda, this item must be removed from the consent agenda. Furthermore, the Good Governance Policy for the Board of Governors requires that members not abstain from voting without good reason. Therefore, members may not abstain from voting on the consent agenda as a matter of expediency when they only have an issue with only one or a few items.

\(^{2}\) If there is a conflict of interest related to an item, it must be removed from the consent agenda so the conflict can be noted and the member in conflict can abstain from voting. It is not possible to abstain from voting on individual items on the consent agenda.

\(^{3}\) In this case, the Chair would call for a motion to reconsider the approval of the consent agenda, followed by a separate vote on the item with a newly declared conflict.
To: Members of the Board of Governors
From: Gen Gauthier-Chalifour, University Secretary
Subject: 2. President’s Report
Meeting: Wednesday, January 22, 2020

a) Report on University Activities

The President’s Kudos Report for the Fall 2019 semester is enclosed for information.

The Kudos Report highlights important and notable accomplishments of the University and its faculty, staff and students, and has adopted a new format for 2019-20. “Good news” items shared in the report are categorized under the pillars of the University’s Strategic Framework.

This shift in focus is intended to help contextualize the University’s progress and accomplishments through the lens of the strategic framework and celebrate the University’s work to Improve Life.

The report will now be produced three times per year and distributed at meetings in October, January and June. Each edition will cover items of note from the previous semester.

The President will provide additional comments and remarks at the meeting.

b) Update on President’s Advisory Committee on Sustainability

President Vaccarino will provide an update on the work of the President’s Advisory Committee on Sustainability.

The President’s Advisory Committee on Sustainability serves as a key resource to the president and the campus community. The objectives of the Committee are to:

- Advise and collaborate with the president on the creation a Sustainability Framework
- Ensure that the Framework includes: goals, targets, priorities and metrics that build a strong, sustainable foundation for the institution
- Develop issue-specific working groups to create, monitor, evaluate and report back on outcomes of the Framework
- Act as a resource to the president and senior leadership team on emerging sustainability initiatives.
President’s Kudos

REPORT

Fall Semester 2019
U of G builds on environmental expertise with new institute

The new Guelph Institute for Environmental Research will tackle the world’s environmental problems through innovation and interdisciplinary collaborations. Prof. Madhur Anand leads the initiative that incorporates all seven U of G colleges.

Building a supportive research environment

The Office of Research hosted a half-day information session for new faculty in Fall 2019. The purpose of the session was to provide a comprehensive overview of the Office of Research enterprise and research support services, including units and personnel.

She’s Got Game campaign reaches $1M mark

U of G’s She’s Got Game initiative was launched one year ago to support gender equity and advance women in sport. In October, the initiative surpassed $1 million in funding from donors.

MacKinnon Building to undergo a nearly $20M renovation

In October, the College of Arts broke ground on renovations to the MacKinnon Building. The planned work includes a new ImprovLab and updates to the existing theatre, student space and main entrance.

U of G ranks among top research universities

For the fifth year running, U of G has placed second among Canadian comprehensive universities in an annual national survey of top research institutions. The results come from Research Infosource Inc.’s ranking of Canada’s Top 50 Research Universities.
Building on opportunities through Government Relations

MPP David Piccini, parliamentary assistant to the provincial minister of colleges and universities, visited U of G in September to discuss the University's priorities and see innovative research at the Bioproducts Discovery and Development Centre.

MPP Ted Arnott tours Ridgetown campus

In October, MPP Ted Arnott, speaker of the legislative assembly of Ontario, visited U of G's Ridgetown campus to interact with students and learn more about unique programs and research offered there. The tour included a stop at agricultural plots showcasing our regionally focused agri-food research that supports rural Ontario and the local economy.

Connect the Corridor event

Provost Charlotte Yates participated in a Guelph Chamber of Commerce event on Nov. 28 to help build awareness and support for Connect the Corridor (CTC)—collaborative advocacy for two-way, all-day GO service. As a member of the CTC Business Advisory Council, Provost Yates will work with other CTC members, Metrolinx and the Ministry of Transportation to deliver recommendations to Ontario's Minister of Transportation, Caroline Mulroney, on increasing connectivity along Ontario's Innovation Corridor.

University impact on regional economic development

Daniel Atlin, vice-president (external), and U of G researchers participated in a Council of Ontario Universities event at Queen's Park on Dec. 3, showcasing the economic impact of universities. U of G spinoff Mirexus Biotechnologies was profiled at the event, highlighting how the company grew out of a U of G research discovery and is now a hugely successful business located in Guelph.

U.S. consul general visits U of G

In November, President Vaccarino and United States Consul General Greg Stanford met to explore collaborations between the U.S. and U of G specific to our research expertise, industry partnerships and student recruitment. During his time on campus, the consul general visited the Bioproducts Discovery and Development Centre to learn more about its innovative research.
Elevating U of G’s position as Canada’s food university

The Ontario Agri-Food Innovation Alliance highlighted U of G research strengths at Canada’s Outdoor Farm Show Sept. 10 and 11. The Alliance and Malcolm Campbell, vice-president (research), participated in activities at the event, ensuring a strong U of G presence and asserting the University’s reputation as Canada’s food university.

Solidifying that status, and based on a request from the Government of British Columbia, the vice-president (research) hosted the B.C. Government Task Force on Food Security Sept. 19 for a day of meetings and tours of some of the University’s agri-food research facilities.

The Office of Research hosted members of the Centre Wellington Township Council, Wellington County councillors and members of the economic development committee for the County of Wellington on Nov. 20 at the Ontario Beef Research Centre in Elora.

Ridgetown campus hosts career fair

U of G’s Ridgetown campus hosted more than 40 local and regional employers to allow diploma and certificate students to investigate diverse career paths and meet industry leaders.

Introducing Soils at Guelph

The new Soils at Guelph initiative in the School of Environmental Sciences was launched this fall to increase awareness of soil research. It facilitates collaboration and knowledge exchange among stakeholders, including farmers, researchers, industry, government and the public. It aims to educate everyone on the importance of keeping soils healthy.

U of G strengthens, grows partnerships in India

U of G has signed four partnership agreements in research, education and outreach with major post-secondary institutions in India, strengthening our role as a global leader in veterinary medicine and One Health. Malcolm Campbell, vice-president (research), signed the agreements during a recent visit to India with Ben Bradshaw, assistant vice-president (graduate studies), and Prof. Pavneesh Madan, Ontario Veterinary College.

- Strengthened partnerships in veterinary medicine and One Health through a renewed relationship with Guru Angad Dev Veterinary and Animal Sciences University.
- Newly established partnership with Lala Lajpat Rai University of Veterinary and Animal Sciences.
- Newly established research, innovation and training partnership with leading Indian agricultural university CCS Haryana Agricultural University (HAU). HAU has longstanding strengths in crop development and animal science.
- Reinforced partnership with leading Indian comprehensive university Guru Jambheshwar University.

Malcolm Campbell, vice-president (research), exchanges MoU documents with Dr. Gurdial Singh, vice-chancellor, and Dr. Parveen Goel, director of research, LUVAS.
U of G’s MBA ranks among best in the world

The Gordon S. Lang School of Business and Economics MBA program placed fifth among Canadian business schools in the recently released Corporate Knights Better World MBA ranking.

Strategic partnership drives animal nutrition innovation

A new strategic partnership between Trouw Nutrition and U of G will continue developing collaborations between U of G researchers and Trouw, share research facilities and accelerate key research and development activities.

In Conversation with Marina Endicott and Guy Gavriel Kay

In September, U of G supported the annual Eden Mills Writers’ Festival. Bestselling Canadian authors Marina Endicott and Guy Gavriel Kay took part in an event at the Arboretum on the festival’s opening night.

The Flavour of Feminism and Food: Philosophy conference

U of G and the College of Arts hosted a three-day international philosophy conference in October to showcase feminist approaches to philosophical and public engagement on the ethics and politics of food.

New podcast from OAC

The OAC dean’s office launched a new research-focused podcast, Why & How, that looks to answer big questions in agriculture, food and the environment through casual conversations rooted in research. The podcast received a certificate of merit at the 2019 Best of the Canadian Agri-Marketing Association Awards Gala.

Hopper Lecture: Gandhi, Environmentalism and the World Today

On Sept. 20, Ramachandra Guha presented the 2019 Hopper Lecture. As part of the World in 2030 event series, Guha discussed how Mahatma Gandhi’s environmental thought resonates in India and the world today.

High Commissioner of India to Canada visits campus

On Oct. 8, Vikas Swarup, High Commissioner of India to Canada and author of the novel Q&A, which was adapted as the film Slumdog Millionaire, visited U of G. Swarup met with members of the senior leadership team to discuss the University’s relationship with India, especially student recruitment and international partnerships with industry.

Swarup also presented a public talk on the relevance of Mahatma Gandhi in the 21st century.

Catalyzing networking for research innovation

The Office of Research was an Innovation Champion-level sponsor for the Innovation Expo hosted Oct. 3 by Innovation Guelph and BioEnterprise. The event provided networking opportunities with companies across southern Ontario.

The Office of Research also co-sponsored, with the Ontario Agricultural College, the first annual Global Plant-Powered Summit Nov. 12 in Toronto. This exclusive gathering enabled food service leaders and suppliers to discuss the latest plant-inspired trends, ideas and ingredients.

Gryphons Read author comes to campus

Eden Robinson, author of Son of a Trickster, this year’s Gryphons Read selection, came to campus Oct. 2. She took part in book readings and conversations with different audiences as part of the common reading program.

National Chief Perry Bellegarde speaks on campus

Assembly of First Nations National Chief Perry Bellegarde visited U of G Oct. 9. In a public presentation, he discussed the need to implement the 2007 United Nations Declaration on the Rights of Indigenous Peoples. He was met by provost Charlotte Yates; Daniel Atlin, vice-president (external); College of Arts dean Gwen Chapman; and members of U of G’s Indigenous community.
Growing U.K. partnerships in research and innovation

Malcolm Campbell, vice-president (research), headed a delegation to the United Kingdom Oct. 9 to 19 that included representatives from the Ontario Veterinary College and the Arrell Food Institute.

• The 10-day visit included meetings with the Canadian Trade Commissioner for Science and Innovation in the U.K., as well as other members of the High Commission of Canada, heads of Innovate UK, academic institutions and various Innovate UK Research Centres in London, Bristol, Cambridge, Leeds and Edinburgh.

• Members of the delegation also participated in two international summits in London: the World Agri-Tech Innovation Summit and the Future Food-Tech: Innovation & Investment from Farm to Fork conference.

U of G hosts delegation from University of the Philippines Los Banos

In November, the Office of International Strategy and Partnerships hosted representatives from one of the most respected agricultural schools in the world, the University of Philippines Los Banos. The institution is interested in establishing partnerships with Canadian universities in agriculture, forestry and environmental science and management.

University of Essex delegation visits campus

The Office of International Strategy and Partnerships hosted a delegation from the University of Essex, a top-ranked institution that won Times Higher Education’s University of the Year Award in 2018. The University of Essex is interested in establishing research collaborations with Guelph in areas such as public policy and community engaged scholarship, digital humanities, family health, and high performance and sport.

U of G’s Royal Winter Fair “A Place to Grow” exhibit a success

From Nov. 1 to 10, the University took part in the Royal Agricultural Winter Fair with an exhibit that helped visitors explore how science, technology, the arts and entrepreneurship are changing the way we grow, think about and consume food. Guests learned how research is advancing farm-to-table innovations and sustainability with Food from Thought and the Arrell Food Institute.

During the fair, Ontario Premier Doug Ford and Ontario’s Lieutenant Governor Elizabeth Dowdeswell toured U of G’s exhibit. President Vaccarino hosted the Premier, who discussed teaching and research with U of G students and learned about their work and why they chose to study at U of G.

Schofield Lecture: Anne Croy

On Nov. 13, Anne Croy, an OVC grad and former faculty member in the Department of Biomedical Sciences, presented the 2019 Schofield Memorial Lecture: “Opportunities and Decisions Create Careers and Define Self.”

U of G part of OMNI academic search tool

In December, OMNI – the University’s new academic search tool – was launched. The new OMNI shared library system is a collaboration of 14 Ontario universities and gives users access to a vast collection of diverse, high-quality academic material.

Experts discuss Canada’s food system at Arrell Food Summit

U of G hosted the annual Arrell Food Summit in December. This year’s summit focused on:

• skills training for the agri-food sector
• Canada’s branding initiative for safe and sustainable food
• institutional food and planetary health, and
• equitable food systems

Darci Vetter, a key trade negotiator with former U.S. president Barack Obama’s administration, headlined the 2019 summit.
Streamlining support of agri-food research

The Ontario Agri-Food Innovation Alliance has designed and implemented a one-stage call for proposals for the annual $7M research program. This change will streamline the review process and enable the alliance to notify successful researchers earlier in the calendar year, resulting in greater on-time start of field-based research and better alignment with the graduate student intake semester.

Food waste project receives international award

A research team led by Prof. Jess Haines received a 2019 One Planet One Health award from Danone Institute North America for its Food Waste Reduction Toolkit that helps families use food before it spoils.

U of G launches awards for gender equity initiatives

Through $15,000 in awards and scholarships, the Gordon S. Lang School of Business and Economics and the Angel Gabriel Foundation aim to support gender equity activities on campus and in the community. Among the awards are three student-based scholarships and an award recognizing the gender equity initiatives of a local business.

Genomics projects awarded $2.5M from government, industry

Seven U of G agriculture and agri-food genomics initiatives have been awarded $2.5 million in funding from the Ontario Regional Priorities Partnership Program. The funding will support proof-of-concept stage projects that use genomics technology to address specific challenges and opportunities in Ontario agriculture and agri-food.

Indira Naidoo-Harris honoured in exhibition

Indira Naidoo-Harris, AVP of diversity and human rights, was honoured in a 100 Years/100 Women exhibition, celebrating the achievements of Milton-area women.

Students win gold at international genetic engineering competition

U of G’s iGEM Guelph team brought home gold from the 2019 International Genetically Engineered Machine competition for their antibiotic sensor that can test animal products such as milk or honey.

$11M gift to shape future of veterinary care

An $11-million donation will create the Kim and Stu Lang Community Healthcare Partnership Program at U of G’s Ontario Veterinary College. The donation – the largest single gift received by OVC – will help grads support and lead programs to expand animal health care for underserved populations.
Two U of G profs among world’s most cited researchers

Profs. Merritt Turetsky and Stephen LeBlanc have joined an elite group of global scholars who are among the top one per cent of researchers with the most citations in their field. The two were recognized on the Web of Science Group’s Highly Cited Researchers list for 2019.

New apprenticeship program bridges gap to employment

The new Guelph Arts Apprenticeship Program, in partnership with the City of Guelph and funded by donor Alan Rottenberg, provides a career-building incentive for 10 arts grads, funding salaries for the first four months of their one-year apprenticeships.

$500K leadership gift made to OAC student outreach

A recent $500,000 donation by the Grand River Agricultural Society will support student engagement and recruitment into agricultural and food programs. The gift was made to the Ontario Agricultural College student liaison program and is the largest commitment to the program since its inception.

Manager of sustainability makes Top 30 Under 30

Brandon Raco, sustainability manager, Physical Resources, was named to the Corporate Knights Top 30 Under 30 Sustainability Leaders list.

Field hockey player named U SPORTS Player of the Year

Gryphons fifth-year forward Katherine MacMillan received the 2019 Liz Hoffman Award as U SPORTS Player of the Year.

Prof and retired prof finalists for Governor General’s Literary Awards

Congrats to Prof. Karen Houle and retired professor Marianne Micros. The two were selected as finalists for Governor General’s Literary Awards in English poetry and English fiction, respectively.

Prof among Ontario’s most outstanding university teachers

Prof. Dan Gillis has been recognized with a prestigious Ontario Confederation of University Faculty Associations teaching award. The annual awards recognize Ontario’s most outstanding university teachers.

New research chair in veterinary medical innovation

Prof. Michelle Oblak has been named the first holder of the new Animal Health Partners Research Chair in Veterinary Medical Innovation. The new $1-million chair position is a five-year term funded by Animal Health Partners, a veterinary emergency and specialty hospital in Toronto.

New research chair in plant-based medicine named

Prof. Thomas Graham in the School of Environmental Sciences has been appointed PhytoGro Research Chair in Controlled Environment Systems. The chair is supported by last year’s $1-million donation by PhytoGro Canada.

2019 President’s and Chancellors’ scholarships awarded

At the 2019 President’s and Chancellor’s Scholarship Awards ceremony, 13 incoming undergraduate students received top entrance awards to recognize their achievements and leadership potential.
Profs named Fellows of Royal Society of Canada

Congratulations to Profs. Christine Bold, Barbara Morrongiello and John Fryxell, who have been named Fellows of the Royal Society of Canada – Canada’s top academic honour. In celebration and support of the inducted researchers, the vice-president (research) and the associate vice-president (research services) participated in RSC Celebration of Excellence and Engagement events in Ottawa.

Research projects get $2.5M from province

Ten U of G research projects will receive just over $2.5 million from the Ontario Research Fund as part of a provincial investment in research and development.

University receives $1.5M to enhance food literacy research

U of G’s Guelph Family Health Study has received a $1.5-million gift from the Helderleigh Foundation to promote food literacy and help raise a healthier generation less prone to chronic disease.

U of G receives $1.2M to advance bioproduct innovations

The Ontario Agri-Food Innovation Alliance has provided U of G with a $1.2-million investment to advance eco-friendly innovations such as bioproducts and waste reduction and recycling technologies. The funding aims to strengthen the economy and boost innovation in the agri-food sector by creating agriculture-based products and identifying diverse market opportunities in Ontario and globally.

CFI invests $1M in U of G research

The Canada Foundation for Innovation, through its John R. Evans Leaders Fund, will support seven U of G research projects, ranging from disease resistance to food safety to drug addiction.

Student selected as lead for Google Developer student club

Undergrad student Jade Legare, School of Computer Science, has been selected to lead U of G’s Google Developer student club. Each year, Google selects university students from around the globe as club leaders and supports them in starting a club on campus.

Profs named Fellows of Royal Society of Canada

The Arrell Global Food Innovation Awards recognize exceptional efforts to create more equitable, suitable, efficient and nutritious food systems. This year’s winners are FoodForward South Africa and U of Saskatchewan Prof. Leon Kochian.

Students win top undergraduate essay competition prizes

Rachel Hill and Yoel Yakobi of the School of Languages and Literatures took home first place in the senior and junior essay categories of the Classical Association of Canada Undergraduate Essay Competition.

Researcher wins top SSHRC award

Jake Pyne, a post-doctoral researcher, has been named the Social Sciences and Humanities Research Council’s 2019 Impact Award winner in the talent category. He is recognized for his research and for being a champion of improving service accessibility for the transgender community.

Arrell awards recognize leaders in global food security

The Arrell Global Food Innovation Awards recognize exceptional efforts to create more equitable, suitable, efficient and nutritious food systems. This year’s winners are FoodForward South Africa and U of Saskatchewan Prof. Leon Kochian.

Vice-President (Research) Malcolm Campbell hosted a table at the RSC Celebration of Excellence gala Nov. 23
Martha Billes reappointed Chancellor

Martha Billes has been appointed to a second term as chancellor of the University of Guelph. U of G’s Senate approved the reappointment during its November meeting, extending her tenure until April 2023.

Project Serve Day: Students help local community

In September, 400 U of G students rolled up their sleeves to help in the community. The students spent a day volunteering at organizations including Lakeside Hope House, the Canadian Cancer Society, the Children’s Foundation and Guelph Pride.

We did it! U of G meets United Way goal

Once again, U of G has surpassed its fundraising goal for our annual United Way campaign. Through donations and events, the 2019 campaign raised more than $621,000!

Expanded Take a Paws offers more dog cuddling

Students are getting more quality time with pups on campus thanks to the newly expanded Take a Paws program. Throughout the semester, students can sign up for weekly cuddle sessions with certified comfort dogs.

Celebrating exceptional staff and faculty at 2019 Community Breakfast

At the Community Breakfast on Sept. 4, U of G acknowledged the outstanding efforts of University employees:

- Exemplary Team Recognition Award - Art studio technicians in the School of Fine Art and Music
- Hidden Hero Award - Shelagh Daly, Department of Sociology and Anthropology, and Jennifer Slade, Alumni Affairs and Development
- Innovative Leadership Recognition Award - Claire Alexander, Office of Ceremonies and Events, and Laura Gatto, Cooperative Education and Career Services
- Service Excellence Award - Lenore Latta, McLaughlin Library
- Award of Excellence in Wellness, Health and Safety - Michelle Soucie, Student Wellness
- William Winegard Exemplary Volunteer Award - Lorraine Weir, Laboratory Services, and Emily Duncan, Department of Geography, Environment and Geomatics
- Excellence in Undergraduate Academic Advising Medallion - Prof. Carol Dauda, Department of Political Science, and Lisa Blenkinsop, International Development Studies

New Guinness World Record set on campus

The official results are in. The U of G Physics and Astronomy Club’s attempt to create the largest-ever “elephant toothpaste” reaction was a success! The Guinness World Records team confirmed the record in September. Another group has since conquered U of G’s record, but our glory lives on!

Engineering students take flight with Gryphon Wing ceremony

U of G engineering students are being welcomed and instilled with a strong sense of equity, inclusion and professional ethics through their new Gryphon Wing ceremony, a bookend to the Iron Ring grad ceremony. The inaugural Gryphon Wing Ceremony was held Nov. 10.
STEWARDING
VALUED
RESOURCES
Opening of the J.T. Powell Building
Student Wellness Services celebrated the official opening of the new J.T. Powell Building on Sept. 4 and 5.

Changes in UC food court: Resetting the table
Changes in the UC food court are helping make our campus greener. A new weigh-and-pay system, sorting stations and food container options will help reduce food waste and decrease reliance on single-use containers and utensils.

Revitalized student space opens in Johnston Hall
In September, an expanded and enhanced student space was opened in Johnston Hall. The new space includes group and quiet study space, common spaces for networking, and an office space and meeting room for the Student Federation of the Ontario Agricultural College. OAC alumni Classes of '80, '82 and 2018 all supported the renovation.

Faster internet and wifi at U of G
In September, CCS more than doubled U of G’s internet speeds, improving users’ experience on our uog-wifi-secure network. This means faster downloads, more efficient collaboration and enhanced data transfers.

U of G celebrates Healthy Workplace Month
In October, U of G celebrated national Healthy Workplace Month. Organizers planned events that embraced a holistic approach to wellness. Some workshops were recorded or webcast so employees at all campuses had the opportunity to participate.

President’s Advisory Committee on Sustainability launched
This fall, President Vaccarino launched a pan-university committee consisting of students, staff and faculty. This committee will advise the president on key issues and help shape our institution’s sustainability strategy.

Taking U of G’s health promotion commitment to a new level
This fall, U of G announced it will launch a new Healthy Campus Initiative aimed at reviewing, aligning, coordinating and enhancing health promotion activities for our students, faculty and staff. Overseen by President Franco Vaccarino and led by Carrie Chassels, vice-provost (student affairs) and Martha Harley, associate vice-president (human resources), the Healthy Campus Initiative will take a holistic approach to wellness at U of G.
To: Members of the Board of Governors
From: Gen Gauthier-Chalifour, University Secretary
Subject: 3. Audit & Risk Committee Report
Meeting: Wednesday, January 22, 2020

a) Report from Committee Chair

As a regular item of business at each meeting, a report is provided from each standing committee chair. Additional background, including a written summary of recent business is provided below.

The Audit & Risk Committee is a standing committee of the Board of Governors responsible for assessing recommendations and reports on the finances, financial controls and risk exposures of the University. The Committee’s function includes review of financial reporting, internal controls, safeguarding of the University’s assets and general risk exposure. The Committee monitors the competence with which external and internal audits are conducted, confirms that auditors’ recommendations are given due consideration, and that auditors’ have independence in their relationship with University Administration. The Audit & Risk Committee’s Terms of Reference1 and membership list2 is available online.

The Audit & Risk Committee met January 6, 2020 and addressed the following items:

**Internal Audit:** The Audit & Risk Committee received a regular update from the University’s Chief Internal Auditor. This includes an update on recent activities; status of current, ongoing, and previous internal audits; and progress against the internal audit plan. The Committee receives regular updates on any activity under the University’s Safe Disclosure Policy3

**University Risk Management:** The Audit & Risk Committee receives an update at each meeting on University activity relating to risk management. This includes updates on the recent activities of the University’s internal University Risk Management Committee (URMC) as well as updates on legal affairs and IT security. The Committee also reviewed the University’s risk appetite statement and the University’s risk register.

**In-Camera Sessions:** The Audit & Risk Committee holds regular in-camera sessions, including sessions with the internal auditor, the president and with committee members only.

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1 [https://www.uoguelph.ca/secretariat/menu/board-governors/board-standing-committees/audit-risk-committee](https://www.uoguelph.ca/secretariat/menu/board-governors/board-standing-committees/audit-risk-committee)
2 [https://uoguelph.civicweb.net/portal/members.aspx?id=22](https://uoguelph.civicweb.net/portal/members.aspx?id=22)
3 [https://www.uoguelph.ca/secretariat/policy-13-safe-disclosure-policy](https://www.uoguelph.ca/secretariat/policy-13-safe-disclosure-policy)
To: Members of the Board of Governors

From: Gen Gauthier-Chalifour, University Secretary

Subject: 4. Physical Resources & Property Committee Report

Meeting: Wednesday, January 22, 2020

a) Report from Committee Chair

As a regular item of business at each meeting, a report is provided from each standing committee chair. Additional background and a written summary of recent business is provided below.

The Physical Resources and Property Committee is a standing committee of the Board of Governors constituted for the formulation and oversight of policy and capital projects in respect to the management and control of the land, buildings and related physical infrastructure of the University. The objective of its work is to enable the development and maintenance of the University’s physical environment in a manner conducive to teaching/learning, research and related ancillary services and consistent with the University’s mission, strategic directions and operational plans. The Physical Resources and Property Committee’s Terms of Reference¹ and membership list² is available online.

The Physical Resources and Property Committee (PRPC) met on November 29, 2019 and addressed the following items:

Tour: The PRPC begins or ends the majority of its meetings with a tour to locations on campus with either upcoming, current, or recently completed capital projects. The Committee visited the McNaughton building. Phase 2 of renewal of the McNaughton building is a component of the capital renewal plan found in the 2020-21 Capital Plan (see item 5b)

Capital Projects: The meeting included review of the 2020-21 Capital Plan (see item 5b), including recommending Board approval of capital renewal, the Lang Plaza and Animal Care – Backup Power. Additional approvals were also recommended for the Athletics Performance Centre (see item 5d), and OVC Phases 1&2 (see item 5c)

At each meeting the PRPC receives updates on all ongoing capital projects at or above $2M.

¹ https://www.uoguelph.ca/secretariat/menu/board-governors/board-standing-committees/physical-resources-and-property-committee
² https://uoguelph.civicweb.net/portal/members.aspx?id=16

N:\BOG\3. BOG Meetings\2019-20\2. January 22, 2020\3. Open Session\Cover Memos\Item 4a - PRPC Report - Rpt Committee Chair.docx
Capital Related Fundraising: The Committee received an update on the current status of progression towards capital fundraising goals. Additional information is available in the closed session materials.
To: Members of the Board of Governors

From: Gen Gauthier-Chalifour, University Secretary

Subject: 5. Finance Committee Report

Meeting: Wednesday, January 22, 2020

a) Report from Committee Chair

As a regular item of business at each meeting, a report is provided from each standing committee chair. Additional background and a written summary of recent business is provided below.

The Finance Committee is a standing committee of the Board of Governors constituted for the oversight of policy and other matters to ensure effective management of University financial resources and financial risks. A key objective of its work is to enable the strategic allocation of sufficient financial resources for the University to deliver on its mission and maintain a sound fiscal condition both in the immediate and longer-term. The Finance Committee’s Terms of Reference¹ and membership list² is available online.

The Finance Committee met on December 2, 2019 and addressed the following items:

Operating Activities: The Finance Committee received an update on the upcoming Strategic Mandate Agreement 3/SMA3 (see closed session materials). Regular financial updates, including semester reports, are presented to the Finance Committee throughout the year. The most recent updates from the University of Guelph and the University of Guelph-Humber are available under item 5e. The Committee received an update on upcoming budget planning for 2020-21.

Endowment Activities: The Finance Committee received a regular report from the Investment Subcommittee. The report included the regular quarterly update on the performance of the University’s Endowment Fund³ and information on a review of the investment approach. The Finance Committee also considered and recommended Heritage Trust disbursements, more information is available in the closed session materials.

Capital Activities: The December meeting included review of the 2020-21 Capital Plan (see item 5b), including recommending Board approval of capital renewal, the Lang Plaza and Animal

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¹ https://www.uoguelph.ca/secretariat/menu/board-governors/board-standing-committees/finance-committee
² https://uoguelph.civicweb.net/portal/members.aspx?id=24
³ https://uoguelph.civicweb.net/filepro/documents/174263
Care – Backup Power. Additional approvals were also recommended for the Athletics Performance Centre (see item 5d), and OVC Phases 1&2 (see item 5c)

**Fundraising:** The Finance Committee receives an update on the current status of progression towards fundraising goals at each meeting. Additional information is available in the closed session materials.
University of Guelph

Capital Plan

For 2020/21

January 22, 2020
University of Guelph

2020 / 2021 Capital Plan
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Summary

Purpose

The University capital program supports the advancement of the University of Guelph’s strategic framework by establishing a rolling, multi-year capital plan to address new, enhanced or sustained academic and research programming and related services.

The purpose of this report is to present to the Board of Governors, for its review and consideration for approval of, the capital plan portion that supports Management’s advancement of the University’s strategic framework in the 2020/21 fiscal year. This capital plan:

- presents the significant capital renewal and major capital building projects planned for the next fiscal year; and
- identifies the related financing and funding requirements for the planned projects

Capital renewal projects involve the reinvestment into existing University facilities through the replacement and/or renewal of the existing site infrastructure, and major building envelope, electrical and mechanical systems in an effort to remain contemporary while meeting the needs of the current (and evolving) learning, teaching, research, working, living and playing environments on-campus.

Major capital building projects involve large, specific-purpose projects intended to either: construct new facilities to meet additional space requirements for new or expanded academic and research programming and related services; or to renovate existing facilities to further enhance or improve existing academic and research programming and related services or repurpose existing space for a different use or service. Major capital building projects typical involve investment in excess of $2 million.

Capital Plan Components

2020/2021 Projects

The plan presented in this report is the current proposal for 2020/2021. The following table summarizes the projects in terms of;

- **Costs**: For certain projects, the “Approval” column indicates projects that have sufficiently advanced in planning, costing and funding to submit for Board approval. Other projects (indicated by a “TBD” or specific future date) are continuing in planning and costing to be submitted at a future date towards a specific target or other date still to be determined.
- **Funding**: This section of the Table presents the various sources of funding attributable to each project and are expected to be substantially realized prior to project completion. The “Financing” column is the current estimate of the financing requirement for the year. (Further discussion on financing is presented later in the report).
Summary

Overall, $89.5 million in 2020/2021 capital projects currently are proposed, with financing requirements of up to $17.6 million.

Given the uncertainty inherent with government funding programs, donor opportunities and economic conditions, plans are subject to change. Any material change to this plan will be presented to the Board for information and, if necessary, additional approvals. The proposed plan will require no new funding from the 2020-21 operating budget.

<table>
<thead>
<tr>
<th>$millions</th>
<th>2020/21 Capital Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COSTS</strong></td>
<td><strong>FUNDING</strong></td>
</tr>
<tr>
<td>Estimated Cost</td>
<td>Approval</td>
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<tr>
<td>A. Capital Renewal</td>
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<tr>
<td>A.1 Main Campus Infrastructure</td>
<td>11.3</td>
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<tr>
<td>A.2 MacNaughton Renewal Phase 2</td>
<td>8.8</td>
</tr>
<tr>
<td>A.3 Ancillary - Student Housing</td>
<td>10.9</td>
</tr>
<tr>
<td>A.4 Ancillary &amp; Other</td>
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<tr>
<td><strong>SUB TOTAL - Capital Renewal</strong></td>
<td>35.0</td>
</tr>
<tr>
<td>B. Major Building Projects</td>
<td></td>
</tr>
<tr>
<td>B.1 Lang Plaza</td>
<td>3.0</td>
</tr>
<tr>
<td>B.2 OVC HSC - Critical Care &amp; Specialist Services</td>
<td>30.0</td>
</tr>
<tr>
<td>B.3 University of Guelph Community Fields Project</td>
<td>13.4</td>
</tr>
<tr>
<td>B.4 Animal Care - Backup Power</td>
<td>2.4</td>
</tr>
<tr>
<td>B.5 Bedrock Aquifer Field Facility</td>
<td>5.7</td>
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<tr>
<td><strong>SUB TOTAL - Major Building Projects</strong></td>
<td>54.5</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>89.5</td>
</tr>
</tbody>
</table>

Notes:

B.1. Lang Plaza – The $0.5 million is in addition to $0.5 million already invested into the site by the University.

B.3 University of Guelph Community Fields Project – The $3.6 million is a loan that will be repaid from an already existing student athletics facilities fee.
At this time the Board is asked to consider and approve the following elements of the 2020-21 Capital Plan;

1. $35.0 million approval is requested for Capital Renewal spending (section A). This category consists mainly of projects below $2.0 million, with the exception of MacNaughton renewal and some student housing.

2. $3.0 million approval is requested for the Lang Plaza project (section B.1), which is $2.5 Million (83%) funded through donations, and the remaining $0.5 Million funded through central reserves.

3. $2.4 million approval is requested for the Animal Care – Backup Power project (section B.4), which is required for accreditation, of which $2.0 Million is to be funded through the heritage trust, and the remaining funded through central reserves.

4. Maximum total financing requested at this time is $17.6 million. Given the planned amount and repayment periods (less than 15 years) expected for this requirement, “internal financing” will be used (no new external debt will be issued this year, related to these projects). All debt servicing costs can be accommodated within the current level of support provided in the General Operating Budget.

For the remaining projects, approvals will be requested on a project by project basis as they are finalized. It is planned to have all approvals in place in the next fiscal year.
Details

Introduction

The University capital program supports the advancement of the University strategic framework by establishing a rolling, multi-year capital plan updated each fiscal year with an incremental annual plan. The capital plan is comprised of a series of actionable facilities and equipment capital priorities derived from among academic, research and service needs and requirements identified through consolidated academic, research, and other service needs assessments planning, including facilities condition and assessment, set in accordance with the University’s financial capacity.

The coordination of the planning, assessment and prioritization of capital projects becomes increasingly critical given the increased complexity of academic, research, and services planning together with facilities planning, increased need for facilities renewal, and the inherent risks working within a limited financing framework. The ability to leverage both internal University resources and external funding for the projects with the highest priority requires a continuous and transparent process.

Capital planning for major projects efforts focus on two major objectives: capital renewal projects – keeping what we have, our existing inventory, contemporary and well-maintained; and major building capital projects – adding new space or renovating existing space to enable new, enhanced and sustainable academic and research programs and services. Government funding for these types of projects has typically been quite cyclical with significant lean periods of minimal to no investment followed by occasional short bursts of major funding initiatives usually targeted to “stimulate” economic conditions. In the leaner funding periods, critical capital renewal programs or high priority building projects have usually been underwritten directly by the University with financing in the form of external debt or temporary use of short-term working capital. Decisions regarding debt are guided by the University’s Capital Debt Policy.

The following section provides more detail on the proposals for 2020/2021 Capital Renewal Projects by major funding category.

A.1 Capital Renewal Program – Main Campus Infrastructure

The University facilities inventory consists of more than 7.1 million gross square feet of space situated within 149 buildings. With an average building age of 50 years, significant ongoing reinvestment is essential to ensure that these University facilities remain in a good state of repair to advance the University’s mission and strategic framework. Keeping track of the overall condition of buildings and infrastructure is paramount to a responsible asset management strategy. The condition of University facilities is measured and monitored using an integrated capital planning and asset management software solution (VFA.facility).

Defined as the Facility Condition Index (FCI), the FCI is the ratio of total Deferred Maintenance (DM) to total Current Replacement Value (CRV) of an asset or group of assets. The extent of deferred maintenance is calculated through the physical inspection and assessment of the overall
Details

The condition of University facilities and infrastructure. The current replacement value represents the construction project cost to replace an asset to current codes and standards. This model is used among the Ontario Universities to create uniform reporting and comparison across the sector for the institutions as well as the Ontario Ministry of Colleges and Universities (recently changed from the Ontario Ministry of Training, Colleges and Universities).

\[ FCI = \frac{DM}{CRV} \]

The lower the FCI value, the better the condition of the building or infrastructure asset.

<table>
<thead>
<tr>
<th>Condition</th>
<th>Good</th>
<th>Fair</th>
<th>Poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>FCI</td>
<td>0%</td>
<td>5%</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td>50%</td>
<td>75%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Guelph (2019) – 18%

The current (2019) FCI for the University of Guelph facilities is 18%. An investment of approximately $155.6 million over the next 5 years is required to maintain this FCI during this period as well as the $8.8 million for MacNaughton renewal Phase 2. Based on current funding availability and project priorities, an investment of $20.1 million for the 2020/2021 fiscal year is recommended.
Institutional Comparisons

The Council of Ontario Universities (COU) publishes a tri-annual report on the condition of Ontario University facilities. Based on the most recently published data in 2016, the average FCI for the Ontario University system is 11% (generally, being fair condition) and the average building age is 43 years. The University of Guelph has a relatively higher FCI at 18% (generally poorer condition) but also has the third oldest average building age at 48 years. Only the University of Toronto-St. George campus at 63 years and Queen’s University at 59 years are older than Guelph.

FCI/Age comparison with similar institutions (excludes Student Housing)

*Source: Ontario Universities’ Facilities Condition Assessment Program – March 2016

The condition of university facilities is generally fair unlike other government facilities including hospitals, K-12 schools, courts and government offices all of which are ranked very poorly. Government investment in all facilities is inadequate.

Age of Buildings

Many of our major building systems, particularly, building envelope, electrical and mechanical systems, are overdue for replacement as they currently remain in service well beyond their end of service life. When the systems in these older, higher FCI buildings are not replaced before the end of their service life, reactive maintenance typically increases, increasing building maintenance costs and diverting maintenance operating budget and service effort from other critical buildings.
requiring service and/ or newer, lower FCI buildings requiring predictive/ preventive maintenance.

Buildings over 50 – High Risk
Lifecycles of major building components are past due. Failures are possible. Core modernization cycles are missed. Represents 55% of our total building stock and 49% of total campus space. The FCI is in the poor range at 28%

Buildings 25 to 50 – High Risk
Major building envelope and mechanical system lifecycles are due. Functional obsolescence is prevalent. Represents around 26% of our building stock and 34% of total campus space. The FCI is in the poor range at 27.6%

Buildings 10 to 25 – Low Risk
Short lifecycle needs; primarily space renewal. Represents 10% of our building stock and 12% of total campus space. The FCI is in the good range at 4.9%

Buildings under 10 – Low Risk
Little work required in the building. “Honeymoon” period. Represents 9% of our building stock and 5% of total campus space. The FCI is in the good range at 0.1%

As shown, 120 buildings in the University’s inventory have an average building age of at least 25 years, representing 82% of the University’s total building stock or 83% of the University’s total space. This means that a large majority of the building assets are in the high risk grouping when it comes to capital renewal requirements. Buildings with a higher FCI have significant renewal requirements and, therefore, require significant capital investment.

University Risk Management
The capital planning process is an iterative, collaborative and consultative process that draws upon the data collected during a condition assessment audit and upon the expertise of our internal staff and external consultants. The University Risk Management (URM) framework is utilized to assess the likelihood and the impact of a failure or loss for each requirement observed and identified in the integrated capital planning and asset management software solution (VFA.facility) to determine the requirement’s overall risk score.
Five-Year Capital Renewal Plan (2020-2021 to 2024-2025)

Physical Resources maintains a Facilities Condition database that outlines all deficiencies that need to be addressed on campus and assigns priorities to them based on the risk assessment process. Building and site infrastructure condition assessments are done by professional engineers with 20% of building assets assessed annually, meaning each building is re-assessed every 5 years and 100% of site infrastructure assets assessed every 5 years.

The deficiencies are updated in the database accordingly. Over the next 5 years as outlined is a capital renewal forecast, an estimated investment of $143.1 million (ranked using the ERM methodology as very high and high risk priorities) will be required to upgrade and maintain the basic systems and infrastructure of our physical plant including; mechanical and electrical systems, building envelope structures (roofing, windows and wall caulking), elevator modernization, campus infrastructure (electrical service upgrades and service tunnel repairs), health and safety and code requirements.

<table>
<thead>
<tr>
<th>CAPITAL RENEWAL PLAN ($ millions)</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Total Plan</th>
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<tr>
<td>i) Unforeseen Requirements</td>
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<td>1.3</td>
<td>1.4</td>
<td>1.4</td>
<td>1.4</td>
<td>6.7</td>
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<tr>
<td>ii) Annual Requirements</td>
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<td>1.3</td>
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<td>1.5</td>
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<td>iii) Electronic Access</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.8</td>
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<td>iv) Campus Condition Assessments</td>
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<td>SUBTOTAL</td>
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<td>3.6</td>
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<td>2.8</td>
<td>3.0</td>
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<td>b) Deferred Maintenance</td>
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<td></td>
<td></td>
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<td>2.3</td>
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<td>15.5</td>
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<tr>
<td>iii) Building Services</td>
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<td>73.4</td>
</tr>
<tr>
<td>iv) Campus Infrastructure</td>
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<td>7.2</td>
<td>0.9</td>
<td>4.9</td>
<td>19.4</td>
</tr>
<tr>
<td>SUBTOTAL</td>
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<td>32.5</td>
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<td>2.5</td>
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<tr>
<td>Net Capital Renewal Plan Financing Required</td>
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<td>26.9</td>
<td>32.8</td>
<td>50.0</td>
<td>143.1</td>
</tr>
</tbody>
</table>
Details

Significant projects for the 2020/2021 capital renewal program – main campus infrastructure include:

- **a) ii) Annual Requirements**
  - hazardous material abatement; fire code compliance; barrier free accessibility; interior repairs/life safety signs; sprinkler inspections; safety relief valve program; arc flash study; electrical substation maintenance; annual electrical shutdown.

- **a) iii) Electronic Access**
  - Phase 6 (continued)

- **b) i) Building Exteriors/Envelope**
  - Phase 2- Johnston Hall Exterior Windows
  - Phase 2 - WF Mitchell Athletics Centre Roof
  - OVC Stewart Building Metal Roof
  - Gryphon Centre Soffit Repairs
  - Dairy Barn Exterior Wood Siding Replacement
  - Annual Requirements including: exterior painting, exterior stairs, exterior windows and doors and general roof repairs

- **b) ii) Building Interiors**
  - Annual Requirements including: washrooms, elevators, barrier free accessibility, classrooms, fire code compliance, hazardous material abatement, health and safety requirements

- **B) iii) Building Services**
  - Elevator modernization: Zavitz Hall, OVC Stewart Building, Crop Science Building
  - Fire Alarm Upgrades: Canadian Institute for Food Safety (CRIFS), OVC Hazardous Storage Building
  - Animal Science & Nutrition Building Main Breaker
  - Central Utilities Plant High Voltage Feeder Cables
  - Annual Requirements including: exit signage, piping insulation, safety relief valves, electrical sub-station and underground service

- **b) iv) Campus Infrastructure**
  - Service tunnel repairs
  - Cathodic protection for natural gas lines
  - Central Utilities Plant Cooling Tower repairs
  - Annual Requirements including: roadway & walkway lighting, annual campus electrical shutdown, shut-off valves and compressed air systems

All of these projects relate to academic and research facilities. The work identified is high priority and if not done, could lead to serious building failures impacting building users and services.

**A.2 Capital Renewal Program – MacNaughton Renewal Phase 2**

The 200,000 square foot MacNaughton Building was constructed in 1968 for the study of Chemistry, Physics and Math. The building is comprised of an east wing and a west wing connected to the Summerlee Science Complex. Both wings are served by penthouse and basement mechanical rooms. MacNaughton is very well utilized and has undergone many iterations throughout its history moving from teaching labs to graduate research labs. The building includes some retail and hospitality operations on the first and second floors of the east wing.
Details

Many of the building systems are at or near end-of-life and the labs and infrastructure are in need of renewal. The west wing of MacNaughton, home of the Chemistry Department, was gutted and renewed in 2017 in Phase 1 of MacNaughton Renewal. The scope of work was 26,000 square feet of office and laboratory space.

The focus of MacNaughton Phase 2 will be the building systems and infrastructure outside of the labs and offices in the west wing that could not be done in Phase 1 due to time and funding constraints. The area covered in Phase 2 is 24,000 square feet. When Phase 1 was carried out, a number of Ontario Building Code and Ontario Fire Code requirements were identified that have to be addressed. This has led to a requirement for a major upgrade to the building infrastructure, most notably the mechanical systems serving the labs. The compliance issues relate to a lack of provisions for exhausting potentially contaminated air in the labs, as required in Ontario Fire Code 4.1.7.6 (1) and (2). The undertaking of MacNaughton Phase 2 is a necessary requirement for life safety and meeting current code requirements.

The systems identified for renewal in Phase 2:
- Architectural – corridors, washrooms, stairs, windows
- Electrical – lighting, power to basement and penthouse, fire alarms, motor control centers, emergency power
- Mechanical – ductwork in corridors, plumbing and drainage, major air handling units (AC.4 and AC.5), strobic exhaust fans, chilled water and steam, deionized water, controls, air monitoring, heat recovery

The situation at MacNaughton is far from an anomaly. It is just one of a number of buildings constructed in the 1960’s and 1970’s when the university was growing and maturing at a rapid pace. Many of the buildings of that era are recognizable by their Brutalist concrete architecture. All of them, like MacNaughton, are extremely well used and require facilities renewal attention. Some have undergone major renewals in the last 5 years e.g.) Richardson Building, Lambton Hall, McLaughlin Library, OVC Advanced Surgery, JT Powell. Others are presently in planning stages e.g.) North Wing Mackinnon, former VMI Building (for Family Therapy), Honey Bee Research Center, Human Anatomy. There remains a large cohort of buildings of this era, now coming of age that will require upgrading and renewal for the foreseeable future.

Architectural, engineering and cost estimation services for the design development of MacNaughton Phase 2 are complete. Key non-interfering work and moves will be accomplished over the Winter/2020 semester and full construction will start in Spring 2020 with completion targeted for Fall/20. The current funding request is $8.78 million. (The total project cost is $13.78 million with $5 million already approved by the Board). The project mandate is to satisfy all code requirements and complete the West Wing renewal while minimizing the disruption to building occupants and researchers. When Phase 2 is complete, the interior of MacNaughton West Wing will essentially be renewed with minimal deferred maintenance expected for several years.

A.3 Capital Renewal Program – Ancillary - Student Housing

The University of Guelph is a residence intensive university, guaranteeing housing for all first year undergraduate students. Student Housing Services (SHS) manages all residence operations, which
consist of nine primarily undergraduate buildings and two family and graduate developments. The age of the undergraduate housing inventory corresponds with three major growth periods for the University: the early decades of the 1900's (Mills, Johnston, Watson, and Maids), incorporation years from 1965 to 1972 (Lambton, Lennox Addington, East, South Residence Complex), and double cohort preparation in 2001 (East Village Townhouses). The family and graduate developments were built in 1972 (Wellington Woods) and 1993 (78 College Avenue). In total, these complexes are approximately 30% of the square footage of all buildings on campus and have the capacity to house over 4,700 undergraduate students and 300 families.

SHS capital planning and expenditures have been guided by a strategic planning document outlining how SHS would address the issues of aging infrastructure, deferred maintenance, and aesthetic renewal of our residence buildings. This ambitious and aggressive plan was originally tabled before the Physical Resources and Property Committee (PRPC) in the spring of 2007 and was based on an external audit of the residence inventory conducted in 2003. This original audit is supplemented by additional reports and investigations as SHS reviews approximately 20% of its residence inventory each year. The resulting five-year plans have identified priorities and have been designed to address two primary objectives: deferred and anticipated maintenance and the need for modernization or aesthetic renewal of the living areas occupied by students.

The SHS strategy of addressing high priority infrastructure and deferred maintenance, while at the same time making aesthetic improvements, has ensured that our residence inventory did not put the University at a competitive disadvantage with other Ontario universities that have newer housing inventory and positioned it for increased off-campus competition. Over the past ten years (2010/11 to 2019/20) SHS has invested $88.41 million in capital expenditures, of which $42.02 million (48%) was focused on interior improvements and room reconfigurations to address aesthetic renewal and to respond to the evolving and dynamic needs of students. Our aggressive actions have enabled us to remediate critical deferred maintenance and to plan for future life cycle challenges within our buildings and infrastructure.

The success of SHS’s capital strategy and planning is evident in that student demand for living in residence continues to be extremely strong, with fall semester occupancy rates averaging 99.5% over the past five years and 85% of first-year students choosing to live in residence. This is despite the fact that several luxury built private developments targeting students within Guelph have come online in recent years, such as the Solstice developments along Gordon Street. The continued success of SHS’s capital planning will enable SHS to continue to fulfill its critical role in supporting the education and well-being of students while creating exemplary spaces for student excellence.

The current five-year plan spans the period of 2020/21 - 2024/25 with anticipated capital expenditures of $51.93 million over this five-year period. SHS will continue to fund capital investment through the use of student fee revenues and operational reserves. No additional debt financing is currently anticipated.
While much of the previous ten years focused on interior improvements, the plan for the next five years focuses on critical infrastructure and deferred maintenance with a total of $41.20 million (79%) budgeted in this area. This includes building envelope (siding, cladding, windows, and roofs) and mechanical and electrical systems (piping, circuit wiring, heating and cooling systems, etc.). These items are critical maintenance requirements due to the age of our housing inventory. Two projects account for the majority of this budget: the continuation of the South Residence Exterior Cladding & Window Replacement ($17.30 million for years 4 to 6) and East Residence Exterior Siding, Electrical and Plumbing Replacement ($15.57 million). These investments will extend the life of South and East Residences by 40 years, at less than a third the cost of what a new residence build of equivalent size would be. Specifically, East would cost $90 million to build new, whereas total budgeted East renovations cost total $24.2 million.

Interior aesthetic improvements total $5.1 million (10%) and include painting, bathroom improvements, interior stairs, carpets, and furniture. Capital expenditures on our Family Housing complexes, design fees, and VFA fees make up the remainder at $5.6 million (11%).

The following table provides an update on the Student Housing Services Five Year project list broken down by residence.

<table>
<thead>
<tr>
<th>CAPITAL RENEWAL PLAN ($millions)</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Total Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Envelope/ Exterior</td>
<td>6.3</td>
<td>7.1</td>
<td>9.8</td>
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<td>0.9</td>
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<tr>
<td>Design Fees &amp; VFA</td>
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<td>0.2</td>
<td>0.2</td>
<td>0.3</td>
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<td>10.0</td>
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<td>Net Financing Required</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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</tr>
</tbody>
</table>

A.4 Capital Renewal Program – Ancillary & Other

In addition to the other major capital renewal items above, there are several smaller capital budgets for ancillary & other units.
The total budget of $4.0 million for 2020/2021 will be fully funded by the respective operating budgets.

### B.1 Major Building and Renovation - Lang Plaza

The newly renamed Gordon S. Lang School of Business, in Macdonald Hall, is looking to undertake an extensive redevelopment on the exterior landscape space between the existing building and College Avenue. “Lang Plaza” currently facilitates a vehicular access loop (fire route) with a center island, numerous pedestrian thoroughfares, various tree canopy and lower vegetation, and main entrance into the building. A concept design was completed with the donor and steering committee which was reviewed by the City of Guelph site plan approval and heritage department. No site plan approval process is required. This building is not designated as heritage but is a building of interest. The heritage department is expected to be an important stakeholder for any work related to the building façade.

The new plaza space is meant to aid in the rebranding of this space into a highly regarded business school campus. As such, the space is meant to project a sense of formality, institutional, prominence, legacy, longevity, academics, etc. The space will be pedestrian focused and bolster the heritage character of the Macdonald Hall facade. The space will embrace sustainable initiatives, as well as local materials, enterprise and context.

**The preliminary budget estimate for this project is $3.0 million.**

Construction of the project is anticipated to be complete by August 2020, in time to use for orientation week 2020. The donor has committed $2.5 million for the design, cost estimating services, and construction of the plaza - which will fund over 80% of the expected costs. The remaining funding will come from Central Reserves.

### B.2 Major Building Projects - Ontario Veterinary College – Health Sciences Centre – Critical Care and Specialist Services

#### Background

The Ontario Veterinary College (OVC) is a global top-10 veterinary school and a leader in veterinary medical education, research and healthcare delivery. The Health Sciences Centre (HSC) at the OVC is Ontario’s only tertiary care academic veterinary hospital. It comprises the Companion Animal

<table>
<thead>
<tr>
<th>CAPITAL RENEWAL PLAN ($millions)</th>
<th>Year 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category</td>
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<td>Contribution from Operations</td>
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<td>Net Financing Required</td>
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</table>
Hospital, the Large Animal Hospital, the Mona Campbell Centre for Animal Cancer, and the Primary Healthcare Centre.

The HSC provides the most advanced veterinary care available, receiving referrals from general, specialty and emergency practices throughout the province and beyond. It has facilities and equipment similar to a regional human medical centre. Every year, the OVC HSC sees over 20,000 patient visits across its various clinics. This caseload provides a substantial base of clinical cases to advance research goals.

The HSC is integral to the academic mission of the College. The caseload of its four hospitals is critical to the clinical training for many of the degree programs at the OVC, including its flagship Doctor of Veterinary Medicine (DVM) and Doctor of Veterinary Science (DVSc) degrees. With between 20 and 30 active clinical trials at any one time, the HSC is equally critical to OVC’s productive translational research agenda.

To maintain its continued accreditation, OVC must continuously assess and update its infrastructure, taking into consideration new medical modalities, changing caseload, growing teaching requirements, and evolving standards in safety, infection control and security.

The recent expansion of the companion animal surgery and anesthesia facilities ($13 million), due for completion in spring 2020, reflects the ongoing need to maintain and modernize these world-class facilities.

Currently conducting over $20 million in business annually, the HSC has seen demand for its services increase dramatically over the past years, a trend we expect to continue. While such growth is a clear indication of success, some of HSC’s critical facilities are ageing and operating at well above capacity. This has a direct impact on the quality of teaching and clinical service.

Hospital facilities are also under pressure because of increasing clinical training needs. The number of clinical residents (DVSc students) who are pursuing specialty training in the HSC has risen from 35 in 2015 to 50 in 2020, and we expect this number to increase still further. The importance of these training programs cannot be overstated: we are experiencing a widespread and sustained shortage of veterinary specialists in both the private and academic sectors.

The number of DVM students training in the HSC is also set to increase in the coming years (intake due to increase in fall 2021). Each DVM student must obtain two-thirds of their final-year clinical rotation training by working on HSC services. Our spaces in the HSC were not designed for accommodating these increases in DVM and DVSc student numbers; this capital project will future-proof the HSC for the coming decades.

Finally, past and current clients form a significant portion of the OVC donor base; there is a direct relationship between client experience and future philanthropic revenue streams.

The Project
Details

The next phase of the HSC renovation will focus on the Intensive Care Unit (ICU) and veterinary specialty services, along with critical support services such as pharmacy and central supply, and staff and student spaces to promote wellness. The projects identified below align with projects 3, 4 and 5 the OVC Master Plan.

**Intensive Care Unit**

For the past three years, the HSC has seen a steady increase in the number of visits and these have trended towards patients who are more critically ill. Since 40% of the patients referred to OVC pass through the ICU, the increasing caseload has resulted in the ICU operating above capacity. Unwilling to compromise patient care due to overcrowding, HSC staff must triage cases and turn some patients away to be managed elsewhere if this can be done safely. This can be harmful to our standing in the community and the industry and can lead to less than optimal medical outcomes, so addressing this structural issue is our key priority.

Since the ICU is a hub of clinical and teaching activity within the HSC, the problem cannot be resolved without also addressing the areas which support the ICU, such as specialty service pods, staff space, materials management and pharmacy.

**Specialty Service Pods**

Currently, specialty service pods are located deep in the hospital in spaces not designed for the purpose. They are not conducive to teaching or managing an increased caseload, which impacts the quality of student and patient experience. Due to location and space constraints, clients cannot be with their animals when these services are seeing them. The proposed specialty service pods will contain appropriately configured patient exam areas and workspaces for students. They will be located closer to the reception area, making for more positive client experience, maintaining security, with less stress on the patient, owner, and the health service teams.

**Wellness of the Veterinary Care Team**

The OVC aspires to be the best employer it can be. For this reason, workplace health is one of the five pillars of our 2017-22 strategic plan. In part, this is in response to growing awareness and understanding of the serious mental health issues prevalent in veterinary healthcare teams—rates of burn out are just too high.

While the hospital staff has been expanded to accommodate the changing caseload, there has been no corresponding increase in work and break spaces for these valued team members. The quality of our workspaces directly affects the quality of care, recruitment, retention and absenteeism.

Presently, the primary duty office (where doctors maintain medical records and conduct client communications) is a tiny, windowless space that is only meant to support four people. However, there are frequently 10-15 people who use the office.
Details

Staff space is similarly insufficient, leading to staff members taking their breaks in clinical areas, where they are frequently interrupted.

The development of brighter, more functional work and break spaces is a must to ensure the ongoing wellness of our personnel.

Materials Management and Pharmacy

As a part of the project, Materials Management and Pharmacy need to be relocated and upgraded to increase efficiency, maximize storage space, improve ease of access for onsite equipment service, and minimize inventory losses due to poor turnover. The relocation of the pharmacy is in line with the current hospital model that shares central services between the large and companion animal services. This principle increases operational efficiency and maximizes infection control between the two facilities.

Conclusion

In conclusion, the goals of this capital project will be:

- Expansion and modernization of the intensive care unit to accommodate current and projected changes in caseload and teaching needs;
- Location of new, appropriately designed outpatient specialty areas close to existing exam rooms and ICU to enhance both the client and student experience, and improve operational efficiency;
- Creation of a new duty area near the ICU with workspace for 22 persons;
- An expanded staff area to accommodate the number of users, and provide additional lockers, kitchenette, and a naturally lit break space;
- Separation of staff areas from the Companion and Large Animal Hospitals to provide enhanced working areas and the promotion of wellness among clinical teams;
- Relocation and reconfiguration of the pharmacy to a central location; and
- Enhancement of the Materials Management area to optimize supply chain practices.

The preliminary budget estimate for this project is $30.0 million. The entire project will be donor funded.
Details

B.3 Major Building and Renovation – Athletics Soccer Complex

Completion of Phase 3 and Renovation to the Gryphon Soccer Complex in the initial Athletics master plan, supported through the student levy, included the design of the Gryphon Soccer Complex and a support building.

This support building will accommodate washroom facilities, a small administrative office for operations, change rooms, meeting room, roof top filming locations, and equipment storage. Expected costs for this facility improvement will be $4.5 million, and it is to be primarily funded through levy contributions ($3.6 million). A government grant application has been submitted for a further $9.8 million in funding. This would fund the following improvements:

- A 2,000 square foot change-room and washroom facility at Varsity Field, including two change-rooms and publicly accessible washroom facilities.
- Conversion of a 60 x 100 yard natural grass field to synthetic turf
- Addition of throwing facilities for track and field to existing natural grass field
- Lighting and seating additions, lighting to be added to natural grass field, baseball diamonds and volleyball courts. Permanent seats to be added to main soccer field and varsity field

**The preliminary budget estimate for this project is $13.4 million.** If the $9.8M federal grant is not achieved the project will be scaled back to the $4.5M support building.

B.4 Major Building and Renovation – Animal Care Back-up Power

The operation of the Central Animal Facility Building (CAF) and the Animal Wing of the Animal Sciences and Nutrition Building is within the regulatory purview of the Canadian Council of Animal Care (CCAC). A recent report by the CCAC has indicated that these facilities do not meet sections 8.5 Emergency Power and 12.3 Heating Ventilation and Air Conditioning (HVAC). Specifically, it was recommended that adequate ventilation be added to the building’s essential power distribution system to maintain acceptable air quality during a power outage event and also include equipment that is critical in maintaining animal life.

The two facilities require CCAC accreditation in order to qualify for research funding to continue operation.

This project will address CCAC compliance requirements and proposes to increase the essential (generator backed-up electrical power) power being provided to the CAF and the Animal Wing of the Animal Sciences and Nutrition Building by creating an essential power connection point complete with a portable standby electrical power generator.

**The preliminary budget estimate for this project is $2.4 million.**
Details

B.5 Major Building and Renovation – Bedrock Aquifer Field Facility (BAFF)

Over 96% of the Earth’s available fresh water is underground, with more than 50% of the world’s population depending on groundwater as their primary source of drinking water. The increasing demands brought about by population, economic, and agricultural growth pose significant threats to groundwater due to contamination and overuse. In Canada, over 30% of the population relies on groundwater for municipal, domestic, and rural use. Much of this groundwater is in aquifers consisting of fractured bedrock; an environment which promotes exceptional mobility of contaminants. In addition, studies show that rural bedrock wells in Ontario and throughout Canada are more vulnerable to contamination because common well designs and placement do not always provide adequate protection. While bedrock aquifers are a key factor in the looming global water crisis, they are poorly understood in terms of hydrogeological properties and contamination threats, and the influence of climate change on these resources requires further research. The G360 Institute for Groundwater Research at the University of Guelph is dedicated to furthering our understanding of the risks to ecosystems and communities if these aquifers are left unprotected. Their research has been instrumental in developing and adapting field methodologies for studying bedrock aquifers and associated tools for synthesis and analysis of field datasets.

This is a proposal for the establishment of a $5.7 million donor funded (campaign is very successful with sufficient funding to be announced soon) groundwater-focused field facility associated with the G360 Institute for Groundwater Research, under the College of Engineering and Physical Science, at the University. Institute Principal Investigators and their collaborators will use the upgraded BAFF to support the University’s strategic research plan by:

- Advancing both fundamental and applied groundwater research while promoting groundwater awareness in the community;
- Enhancing education and training through technology demonstration and experiential learning at the undergraduate and graduate levels;
- Enabling knowledge transfer to professional practice through demonstrations and professional short courses;
- Facilitating the development, testing and demonstration of novel field methods, tools and groundwater technologies; and,
- Fostering collaborations between the University, the City of Guelph and the private sector both locally and globally.

The University’s strategic research plan (2017 to 2022) recognizes that the University’s focus on environmental research, with a particular emphasis on water, is a core area of distinction where the University is an established scholarly leader. As such, the University is committed to a major expansion of its research and educational capacity concerning water. The Bedrock Aquifer Field Facility will serve as the interface between research, education and community outreach to help further the University’s leadership in this area.
Details

The preliminary budget estimate for this project is $5.7 million and is expected to be fully funded through donations.
Honey Bee Research Centre

The Ontario Agriculture College has had an apiculture program since its inception in the late nineteenth century. It has trained students in beekeeping and supported the growth of an industry that is vital to food production. Honeybees provide the pollination necessary for one third of the food humans and wildlife require. The mandate at the Honey Bee Research Centre (HBRC) is to help honeybees continue this essential activity.

Our HBRC team conducts research primarily focused on honeybee health. As honey bee health has declined significantly in the past decade, the role in bee health research has become increasingly important and more widely recognized. The general public and all levels of government are now well aware of the importance of honey bees and are engaged in learning more about pollinators and in initiating projects to address the many factors affecting bee health. Concurrently, interest in entering the pastime or profession of beekeeping has surged exponentially. HRBC provides apiculture courses and many other educational experiences for university students and the wider community.

In 1919 the Apiculture Building was constructed on campus. It was the first of its kind in North America – a three-story structure that included a lecture hall, lab space, office space and ground floor honey extraction and food processing facilities. The main apiary of 100 colonies was behind the building and enclosed by cedar hedges. This building was demolished to make way for the University Centre in the 1960’s. At that time offices and lab space were provided in Graham Hall and the beekeeping and honey processing activities moved to a newly expropriated residence on Stone Road East now known as Townsend House.

The current facilities at Townsend House have become increasingly limiting for apiculture programs. The structure was built as a residence so is not well suited for its current use. The list of deficiencies includes; accessibility barriers, lack of sufficient teaching, laboratory and office space, non compliance with food safety standards and many ergonomic inefficiencies. HRBC hosts numerous groups for courses, tours and other events. Parking and bus turnaround space is inadequate for these activities.

In the fall of 2016 exploration began of a possible rebuilding of facilities to address these deficiencies. A steering committee was formed and we’ve completed the initial planning phase of the project including preliminary architectural design and progress in securing funding for the project.

The preliminary budget estimate for this project is $10.0 million and fundraising efforts are successfully underway. The approval to proceed with the project will be requested when adequate funding is achieved.
Projects Approved for Fund Raising Not Included in 2020-21 Capital Plan

Centre for Plant Health

On June 21, 2019 the Board of Governors authorized the University to proceed with fund raising to support the development of a new Center for Plant Health. The Vision for this facility is to expand the University of Guelph’s established excellence in closed environment systems, integrated pest management and plant health with the first Health Canada licensed research and teaching facility focused on contained horticulture production and plant health. This facility will respond to and support the growth of the rapidly changing, high tech agriculture and food sectors in Ontario and Canada.

The proposed budget realized through the schematic design process is significantly more than expected therefore the project team is working to revise the building program initially planned for the Centre for Plant Health. The OAC is looking at finalizing the new building program and re-engaging the Prime Consultant by the end of the year. The new program would focus on finding efficiencies with shared spaces within the department and researchers within the new building. The anticipated site is the current Bio-Control Building. Bio-Control would be a shared user of this new Centre for Plant Health. The schedule will be finalized once the building program has been confirmed and fundraising targets have been achieved.

The anticipated Project Budget is $17.0 million.
The Capital Debt Policy contains five ratios and metrics intended to communicate the affordability of the current debt levels and to be considered prior to any new debt. These indicators are intended to show the impact of financing major capital projects through debt levels and the burden on the University of any future debt repayment. While these indicators provide a useful tool in the decision-making process, they are not normally used or intended to be absolutes in determining appropriate levels of debt. As indicated in the Policy, capital financing decisions are intended to be made in the context of risk/return, cost/benefit of the project under consideration for approval.

The purpose of this section is to provide an update on the policy metrics, along with projections based on known and estimated capital debt financing requirements over the next five years. The modeling is assuming no material changes, positive or negative, to the operations of the University and presents a “best estimate” view of debt and debt servicing over the five-year term. This steady state projection is managed through the baseline assumptions presented below.

Borrowing in the following metrics is measured for both external debt and internal financing. The calculation of metrics using internal financing or “Internal Debt” is not typically used by either credit rating agencies or government. The inclusion of internal debt is designed to provide a complete debt profile as if external debt financing had been used. This approach is also to ensure the commitment to replenish operating working capital is recorded and assessed in the context of overall capital obligations.

“Baseline” Assumptions for total debt and debt metrics projections;

The key assumptions in projected debt and related ratios include the following:

- Internal debt is repaid using a 2.5% interest rate plus principal over a maximum of 15 years.
- Amount of future borrowing reflects the needs of previously approved financing (for approved capital projects) plus additional deferred maintenance financing aligned with the 5-year projections proposed in ‘A.1 Capital Renewal Program – Main Campus Infrastructure’, the majority of which assumed to be internal debt.

As the capital budget is issued in advance of the operating budget, the following have been assumed to be flat.

- Flat enrolment, revenues, and operating expenses.
- No major pension contribution requirements above that provided in the current annual operating budget assumptions and designated reserves.
- Endowment returns are assumed to be equal to the rate payout rate

Revised ratios will be provided as part of the operating budget, once those targets have been set.
Projections and Compliance with the Capital Debt Policy

Total Debt

Chart A shows the total projected debt (both internal and external) over this five-year plan plus the baseline scenario for the following five years.

The external debt increase in 2017 was a result of the $40 million secured for Mitchell Phase 1.

The internal debt increases in 2018 & 2019 of $33 and $8 million respectively include internal debt for a combination of major projects including the SIF (Strategic Infrastructure Fund) projects, deferred maintenance projects, and MacDonald Hall which were approved in previous capital plans.

With these projections the overall debt levels remain relatively flat, however, the proportion of internal debt will increase. The Capital Debt Policy Section 7.3 states that “Total outstanding internal loans should not exceed 20% of the University’s total expendable operating portfolio as determined at each year end.” As at April 30, 2019, the maximum internal debt capacity was approximately $83 million. Therefore, we are projecting to reach internal debt capacity in fiscal 2021/22.
Projections and Compliance with the Capital Debt Policy

Policy Debt Management Metrics – (actual and Projected)

1. **Viability Ratio:**
   This key metric in monitoring debt capacity measures how many times expendable net assets could pay for outstanding debt. Projections show very positive results given the assumptions of break even net income, and stable levels of debt. This ratio is very sensitive to net asset changes e.g., a major downturn in the financial markets (impacting endowments) and net operating deficits will quickly reverse this positive baseline projection.

2. **Debt Service Burden:**
   This is an affordability measure that tracks the costs of servicing (both internal and external) debt as a portion of total operating expenses. Although external debt is declining, internal debt servicing continues to grow resulting in a small projected net increase over the next 5 years.

3. **Interest Burden**
   This is another affordability measure similar to Debt Service Burden only recording interest costs (internal and external) only. The external interest burden continues to decline, while the internal remains relatively flat.
4. **Debt Service Coverage**

   This chart reflects the assumption that net operating revenue will be breakeven in future years.

5. **Debt to FTE**

   This is a common measure of overall size of debt (internal and external) relative to enrolment. Debt levels, assuming flat enrolment, show levels that are higher than the benchmark rate of $10,000.
Appendix A – Prior Year Budget Updates

Prior Year Budget Updates

In an continual effort to simplify while improving reporting, the presentation of this capital plan has been streamlined from prior years as a rolling, multi-year capital plan by consolidating the 2020/21 planned capital renewal and major capital building projects together with prior years capital renewal and major capital building projects continuing to progress during the 2020/21 fiscal year.

The following table outlines the currently proposed projects as well as updates to the prior year approved projects, including those requiring approvals.

Of the total spending of $423.3 million, it is proposed that 30% or $129.1 million will be financed internally. The impact of “internally” financing the projects will be to temporarily reduce University working capital. While this commitment is a significant portion of current liquidity balances ($225 million), projections are for relatively stable balances for several years. With the cost of borrowing being higher than short-term opportunity income, the temporary use of these funds for financing capital projects is considered more cost effective. Funds will be replenished from the appropriate budgets over terms not to exceed 15 years.
## Appendix A – Prior year Budget Updates

### 2016 to 2021 Capital Budget

<table>
<thead>
<tr>
<th>Budget Year</th>
<th>Category</th>
<th>Original Budget</th>
<th>Estimated Cost</th>
<th>Approval</th>
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## Appendix A – Prior year Budget Updates

### 2016 to 2021 Capital Budget

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### 17.01 Main Campus Infrastructure

- **Budget Year:** 2016 to 2021
- **Category:** Capital Renewal
- **Notes:** 18.01

### 17.02 Athletics

- **Budget Year:** 2016 to 2021
- **Category:** Capital Renewal
- **Notes:** 18.02

### 17.03 Ancillary - Housing

- **Budget Year:** 2016 to 2021
- **Category:** Capital Renewal
- **Notes:** 18.03

### 17.04 Ancillary - Parking

- **Budget Year:** 2016 to 2021
- **Category:** Capital Renewal
- **Notes:** 18.04

### 17.05 OVC Phase 1 & 2

- **Budget Year:** 2016/17
- **Category:** Major Projects
- **Notes:** 18.05

### 17.06 Turf Grass Institute

- **Budget Year:** 2016/17
- **Category:** Major Projects
- **Notes:** 18.06

### 17.07 Powell Building Renewations

- **Budget Year:** 2016/17
- **Category:** Major Projects
- **Notes:** 18.07

### 17.08 Library (storage and space)

- **Budget Year:** 2016/17
- **Category:** Major Projects
- **Notes:** 18.08

### 17.09 University Centre

- **Budget Year:** 2016/17
- **Category:** Major Projects
- **Notes:** 18.09

### 17.10 Mitchell Building “Link”

- **Budget Year:** 2016/17
- **Category:** Major Projects
- **Notes:** 18.10

### 17.11 Football Pavilion

- **Budget Year:** 2016/17
- **Category:** Major Projects
- **Notes:** 18.11

### Subtotal 2016/17 Projects & SIF

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Appendix A – Prior year Budget Updates

Notes:

1. Human Anatomy Lab project increased to a total of $7.0 million. Revised estimate is a result of completion of schematic design.
2. Performance Center project has increased to a total of $3.7 million, with most of the increase being funded by donations.
3. MacKinnon / Improve project increased to a total of $22.6 million and combined in 1 motion for approval at October 2019 BOG. Change of $2.3 million is funded through financing of $1.7 million, unit reserves of $0.5 million and grants of $0.1 million.
4. VMI Building project was approved at a cost of $13.3 million in January 2019 BOG. Class A estimates were prepared for the renovation of the VMI building resulting in a required budget increase of $0.8 million.
5. In year addition of Greenhouse Gas Campus Retrofit Project, fully funded by the provincial government. This was approved by the BOG in June 2018.
6. The transportation and sustainable parking group was able to fund $2.7 million through their operations, reducing the financing needed to $3.0 million.
7. As these projects have moved into final phases of construction, there have been some minor variances compared to budget. The McLaughlin Library Renewal and Renovation is expected to be $0.7 million less than budget, while the Food Innovation Center, Research & collaborative space for computer science and engineering, and the bioproducts discovery and development center have come in slightly higher than budget; $0.4, $0.2, and $0.1 million respectively.
8. In June 2017 the Board of Governors approved an increase of $1.3 million for a revised budget of $12.8 million for the Powell Building Renovation. This was funded through a $0.85 million of additional unit reserves, and $0.45 million of deferred maintenance.
9. The transportation and sustainable parking group was able to fund and additional $0.6 million through operations, reducing the financing needed to $3.9 million.
10. In April 2019 the Board of Governors approved an increase of $3.3 million for a revised budget of $18.3 million for the Turf Grass Institute. This was funded through a $0.4 million increase in grants, the addition of $1.4 million from unit reserves, and internal financing of $1.5 million.
To: Members of the Board of Governors  
From: Gen Gauthier-Chalifour, University Secretary  
Subject: 5. Finance Committee Report  
Meeting: Wednesday, January 22, 2020  

---

**c) Capital Project: OVC Phase 1 & 2 - Revision to Approved Project [Motion]**

**Motion for Consideration**

The following motion is presented on the recommendation of both the Finance Committee and the Physical Resources and Property Committee.

The Board of Governors is asked to,

RESOLVE, that Board of Governors accept and approve an amendment to the project cost for the OVC Phase 1 & 2 Projects, including that the University Administration be authorized to proceed at an amended project cost of $37.65 million.

FURTHER RESOLVE, that authorization for the project includes the following:

a) That the combined project cost not exceed $37.65 million, and that the increase of $3.45 million relative to the October 20, 2017 project cost be funded as follows:

   a. $3.18 million from the Donation Account Grant, and
   b. $0.27 million from the OVC Special Grant Reservations Fund.

b) The University Administration be authorized and directed to do all acts and things as may be necessary and desirable to complete the transaction contemplated herein, and that any two Officers of the University are hereby authorized to execute and deliver any and all documents, which in their opinion, are necessary or desirable to give effect to the foregoing; and,  

c) That the Physical Resources and Property Committee and Finance Committee continue to receive regular updates regarding the budget, design and materials, and completion schedule; and,  

d) Requests for adjustments to the project will follow the normal capital project review and approval processes of the Board of Governors.

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**Committee Consideration**

At their meetings of November 29, 2019 and December 2, 2019 respectively, the Physical Resources and Property Committee and the Finance Committee received and considered the enclosed materials documenting a request for a budget revision to an approved capital project.

Consideration of the budget revision focused on the reasons behind the required revision, as documented in the enclosed materials.
Following consideration of the matter, both committees recommend approval of the amended project cost.

Background

The request is an increase in project budget for the combined OVC Phase 1 & 2 project from $34.2 million to $37.65 million, an increase of $3.45 million.

The Board originally approved OVC Phase 1 on January 27, 2016. The Board subsequently revoked the original approval of OVC Phase 1, and approved a combined OVC Phase 1 & 2 Project on June 3, 2016. The increase in scope and combination of the phases was due to the receipt of $23 million from the provincial government to support OVC critical infrastructure renewal received subsequent to the original approval of OVC Phase 1.

Although the approval of the two projects was combined, the projects have been reported on and monitored as two separate projects since their 2016 approval. As noted in the enclosed memo, the projects have faced significant, but different, challenges resulting in the request for a revision to the project budget.

At the Board meeting of June 3, 2016, following the rescinding of the singular OVC Phase 1 project, the Board approved the following:

FURTHER RESOLVE, that the Board of Governors accept and approve that the University Administration be authorized to proceed with the construction of Phase 1, 2 and 7 of the OVC Master Plan, provided that:

a) The total project cost not exceed $35.2 million; and,
b) The Administration present a schematic design and detailed design drawings for the project consistent with the OVC Master Plan presented to the Physical Resources and Property Committee; and,
c) The University Administration be authorized to determine on behalf of the Board of Governors decisions concerning appointment of architects and consultants in a manner consistent with relevant University purchasing and tendering policies; and,
d) The University Administration be authorized and directed to do all acts and things as may be necessary and desirable to complete the transaction contemplated herein, and that any two Officers of the University are hereby authorized to execute and deliver any and all documents, which in their opinion, are necessary or desirable to give effect to the foregoing; and,
e) That the Physical Resources and Property Committee and Finance Committee receive regular updates regarding the budget, design and materials, and completion schedule; and,
f) Requests for adjustments to the project will follow the normal capital project review and approval processes of the Board of Governors.

On October 20, 2017, the Board approved an increase in budget for the MacNaughton – Strategic Infrastructure Fund project. The increased financial resources required for the MacNaughton project were paid for via a reallocation of monies from the OVC Phase 2 project, for which the tender had come in under the approved budget. The original combined $35.2 million project, minus the $1 million of reallocated funds to the MacNaughton project resulted in a new combined budget of $34.2 million.

The enclosed memo sets out proposed revised funding sources relative to the previous $34.2 million project. Further details on the project changes are addressed in the enclosed memo.
Executive Summary
On January 27, 2016, the Board of Governors approved a budget of $34.2M for OVC Project #1 (Advanced Surgery), #2 (Enhanced Clinical Learning Addition) and #7 (Student Locker Room). The Advanced Surgery and Student Locker Room projects were combined and awarded to Harbridge and Cross while the Enhanced Clinical Learning Addition was awarded to Bondfield Construction. Construction on both projects started in late 2016.

From the onset of construction, the Advanced Surgery portion of the project presented numerous challenges primarily relating to maintaining a fully operational hospital facility, extensive phasing of project elements, unforeseen site conditions and unanticipated interferences discovered as work proceeded. Unfortunately, these conditions have resulted in additional project costs exceeding the Board’s approved budget.

The Enhanced Clinical Learning Addition project has also faced challenges primarily related to delays associated with Bondfield’s financial issues. Physical Resources has been working closely with the consulting team as well as Bondfield and their insurer Zurich to complete the project while minimizing the overall financial impact on the University.

Request for Change
In order to address the numerous challenges faced through the course of construction, the project budget will need to be increased from $34.2 million to $37.65 million. This represents an overall increase of $3.45 million.

This cost forecast is based on the current status of the project as well as following extensive consultation and costing reviews with the consultant and contractor teams. In developing the revised forecast, careful examination of the project scope and schedule to identify potential cost reductions was conducted. The current scope and related cost forecasts are based on the essential elements of the project.
Costs and Financial Implication

<table>
<thead>
<tr>
<th></th>
<th>Board Approval</th>
<th>Nov 29, 2019 Request</th>
<th>Approval Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>OVC Highest Priority</td>
<td>0.7803</td>
<td>0.7803</td>
<td></td>
</tr>
<tr>
<td>Pet Trust Funding Campaign</td>
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<td>7.800</td>
<td></td>
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<tr>
<td>Province Special Grant Capital Fund</td>
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<td>Heritage Funds</td>
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<td>Reserves</td>
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<tr>
<td>Province</td>
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<tr>
<td>Donation Account Grant</td>
<td>3.180</td>
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<td>3.180</td>
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<tr>
<td>OVC Special Grant Reservations Fund</td>
<td>0.270</td>
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<tr>
<td>Total Funding</td>
<td>34.200</td>
<td>37.650</td>
<td>3.450</td>
</tr>
</tbody>
</table>

Facility Description

**Advanced Surgery**
The scope of work for the Advanced Surgery project generally includes new surgery, anesthesia and central sterile spaces. Moving Large Animal radiology, providing a temporary classroom, and temporary space for the administration offices, physician offices, medical records and locker rooms to allow for the new construction is also included in the scope.

**Enhanced Clinical Learning Addition**
The 3 storey Enhanced Clinical Learning Addition will provide clinical learning facilities and learning technologies along with student support space. The facility includes flexible learning space, clinical skills lab, communication labs and a new learning commons. This facility provides new and larger spaces to meet the demands of the growing student enrollment as well the relocation of these functions from within hospital proper.

**Student Locker Room**
The new Student Locker Room was created to meet the needs for increased enrollment and to provide a safe, secure and accessible area for students.

Timeline

**Advanced Surgery**
Construction began in late 2016 with a completion date scheduled for March, 2018. The numerous challenges faced over the course of construction have delayed the project which is currently tracking toward a May, 2020 completion.

**Enhanced Clinical Learning Addition**
Construction began in late 2016 with a completion date scheduled for August, 2018. Physical Resources has been working closely with the consulting team as well as Bondfield and their insurer Zurich to complete the project by December, 2019.

**Student Locker Room**
Project is complete and space is in use.
Risk Analysis
The following table identifies and analyzes the significant remaining project risks.

<table>
<thead>
<tr>
<th>Risk</th>
<th>Probability</th>
<th>Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional delays and claims related to unknown site conditions</td>
<td>Low - Moderate</td>
<td>Demolition is complete which greatly reduces this risk. We continue to work closely with the contractor and consultant teams to identify and mitigate potential issues early.</td>
</tr>
<tr>
<td>discovered over the course of construction.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final mechanical and electrical systems commissioning.</td>
<td>Low-Moderate</td>
<td>Ensuring mechanical and electrical systems are operating as designed and are fully integrated is a risk on every significant project. These systems are highly complex especially in a hospital setting. The risk is mitigated through the use of a third party commissioning specialist, use of fully licensed tradespeople, peer review of design documentation, extensive site reviews during construction and utilizing internal expertise.</td>
</tr>
<tr>
<td>Delay claim from Bondfield Construction</td>
<td>Moderate</td>
<td>The following steps have been taken to avoid delays and to develop a defense to any claims: a. Detailed recording of actual construction activities against the contract schedule. b. Increased efforts by the consultants and PR to resolve issues before schedule impact occurs. c. Facilitated direct payment to major trades. d. Continue to maintain a good relationship with the contracting team and their insurer.</td>
</tr>
<tr>
<td>Increase cost due to change orders</td>
<td>Low - Moderate</td>
<td>Every proposed change order is being reviewed and scrutinized to ensure that it is an essential component of the project. Costs associated with change orders are closely examined to confirm that they are fair and reasonable for the proposed scope of work.</td>
</tr>
</tbody>
</table>
Additional Background
Unforeseen site conditions and related design coordination account for the majority of the cost overrun. It is important to note that most of the costs would have been incurred if the issues were known earlier and factored into the original design. The OVC areas being renovated were originally constructed more than 60 years ago. There were no building plans available prior to undertaking the projects. The following provides a more detailed overview of the significant challenges.

1. Multiple layers of concrete floor slab – the project scope of work included the necessary replacement of the sanitary sewer line underneath the concrete floor slab. During demolition, it was discovered that the concrete was more than double the thickness expected. This resulted in additional cost and significant time to undertake demolition with heavier equipment in a confined space.

2. Additional soil removals – the soil and bedding surrounding the existing sewer was found to be saturated and unsuitable to support the new construction. New engineered fill was required to be infilled within the relatively tight confines of the building space.

3. Undocumented foundation walls – during demolition of the floor, undocumented foundation walls were unexpectedly exposed, requiring significant and necessary structural redesign and additional demolition and foundation work.

4. Abandoned services in ceiling space – following the removal of multiple ceiling layers, a significant number of utility service lines had been abandoned in place (rather being removed) during prior renovations were unexpectedly exposed. Extensive investigation was required to differentiate between live and abandoned services and to the plan and execute the removal of the abandoned lines as well as rerouting live services to impeding the new construction.

5. Inadequate structural framing – during demolition, it was discovered that the size and span of the existing structural steel joists was inadequate for the intended design requirements. Additional joist spans and reinforcement was required.

6. Concealed asbestos – during demolition, a significant amount of undocumented parged on asbestos containing fireproofing was unexpectedly discovered on a number of structural beams, requiring a large scale Type 3 asbestos removal increasing cost and time for demolition.

Excessive Concrete Slab Thickness
Unexpected Concrete Foundation Wall
Existing Services in Ceiling Space
Additional Soil Removal

Excessive Joist Span
Type 3 Asbestos Removal
To: Members of the Board of Governors

From: Gen Gauthier-Chalifour, University Secretary

Subject: 5. Finance Committee Report

Meeting: Wednesday, January 22, 2020

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d) Capital Project: Athletics Performance Centre - Project Approval [Motion]

Motion for Consideration
The following motion is presented on the recommendation of both the Finance Committee and the Physical Resources and Property Committee.

The Board of Governors is asked to,
RESOLVE, that Board of Governors accept and approve that the University Administration be authorized to proceed with the Athletics Performance Centre, including that:

a) The total project cost not exceed $3.7 million, $3.2 million of which is to be paid for by fundraising and $0.5 million of which is to be paid for from central reserves; and,

b) The Administration present a schematic design and detailed design drawings for the project to the Physical Resources and Property Committee; and

c) The University Administration be authorized to determine on behalf of the Board of Governors decisions concerning appointment of architects and consultants in a manner consistent with relevant University purchasing and tendering policies; and,

d) The University Administration be authorized and directed to do all acts and things as may be necessary and desirable to complete the transaction contemplated herein, and that any two Officers of the University are hereby authorized to execute and deliver any and all documents, which in their opinion, are necessary or desirable to give effect to the foregoing; and,

e) That the Physical Resources and Property Committee and Finance Committee receive regular updates regarding the budget, design and materials, and completion schedule; and,

f) Requests for adjustments to the project will follow the normal capital project review and approval processes of the Board of Governors.

FURTHER RESOLVE, that the above is contingent on the completion of a signed gift agreement with respect to the $3.2 million to be paid for from fundraising.

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N:\BOG\3. BOG Meetings\2019-20\2. January 22, 2020\3. Open Session\Cover Memos\Item 5d - Finance Committee Report - Athletics Performance Centre.docx
Committee Consideration
At their meetings of November 29, 2019 and December 2, 2019 respectively, the Physical Resources and Property Committee and the Finance Committee received and considered the enclosed materials. Both committees recommend the project to the Board of Governors for approval.

Background
Identified as a forthcoming project in the 2019-20 Capital Plan, planning for the Athletics Performance Centre has sufficiently advanced such that the project is ready to proceed for approval. Additional details are found in the enclosed materials.
Executive Summary
Alumni Stadium, constructed in 1970, includes the existing Performance Centre which serves as the main strength and conditioning space for the Gryphon football team. Alumni Stadium has undergone numerous updates over the years and more are now required, especially to the Performance Centre, which no longer meets the needs of the football program. The existing space lacks the required size and equipment to adequately allow the football team to train together. Issues include poor lighting, lack of open space, poor ventilation, and deteriorated finishes. To correct these deficiencies, renovations to the existing performance centre as well as a building expansion is proposed over the existing 1-storey area at the south end of the building. The new space will improve the overall quality of the interior space as well as provide an expansive indoor turf area for training and agility drills for the team. A new access ramp would also be constructed between the existing accessible pathway at the top of the berm to the south of the building and the existing exterior stair landing. This will provide accessibility to the second floor and provide an opportunity for increased branding at the south end of the stadium.

Strategic Reason for Project
The project is necessary to renew the dilapidated facilities as well as reduce the cost in utilities and environmental impact with the use of more efficient equipment. The facility will provide the necessary space and equipment for the current number of athletes on the football team to train together. In its current state, the Performance Centre is not adequate for the football team to train and compete at the highest level.

Proposed Facilities
The focus of the renovation and expansion includes providing an increased number of strength training stations, and more space for free weight exercises, resistance training, and other related activities and services. Finishes will be replaced and updated throughout including the addition of a turfed area for agility training. The project will also include modifications to existing services and utilities in the building to improve the overall quality of the interior space and provide services to the facility expansion.
Additionally, second floor accessibility will be provided by a new access ramp and walkway. The ground floor will also see renovations in areas affected by the proposed second floor expansion.

Current Facilities
The existing space lacks the required size and equipment to adequately allow the football team to train together. Issues include poor lighting, lack of open space, poor ventilation, absence of air conditioning, and deteriorated finishes.

Space Use Implication
Athletics will be creating a temporary training space within the W.F. Mitchell Athletics Centre during construction of this facility. An existing vacant space currently exists and will not affect any other team’s use of facilities.

Alignment with Master Plan or Subsidiary Planning Documents
This project aligns with the projects donors, Stu Lang, ongoing commitment to the University’s football program. The project also aligns with the Athletics departments goals of providing high level facilities for not only the football program but other programs, such as the track and field team, that also use this facility.

Costs and Financial Implication

<table>
<thead>
<tr>
<th>Cost of Project (Including fit-out):</th>
<th>$3,700,000.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding Sources:</td>
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<tr>
<td>University</td>
<td>$500,000.00</td>
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<tr>
<td>Donor</td>
<td>$3,200,000.00</td>
</tr>
</tbody>
</table>

- Operating costs impact are expected to be reduced with the replacement of old equipment with new efficient equipment.
- Any deferred maintenance within the project site will be repaired or replaced.

Timeline
At this time we are at 75% design development. It remains our goal to go to tender before the end of 2019, start construction in the winter of 2020 and open the facility no later than the spring of 2021.

Risk Analysis
The risks with respect to the use of the facilities include the creation of a temporary locker room and fitness training space which create programming delays for events. For the facility itself the risks are related to the fact that the building is over 50 years old which typically comes with unknown site conditions. This building also includes designated substances that will need to be remediated as part of this construction project. The schedule remains aggressive and could become adversary by poor weather conditions until the facility is enclosed.
Renderings

Exterior view looking north at spectator entrance

Interior view looking towards addition from existing facility
To: Members of the Board of Governors  
From: Gen Gauthier-Chalifour, University Secretary  
Subject: 6. Governance & Human Resources Committee Report  
Meeting: Wednesday, January 22, 2020

a) Report from Committee Chair

As a regular item of business at each meeting, a report is provided from each standing committee chair. Additional background and a written summary of recent business is provided below.

The Governance and Human Resources Committee is a standing committee of the Board responsible for overseeing the nomination of governors and trustees to meet the requirements of the Board, monitoring the Board’s governance processes and recommending amendments to them as appropriate, overseeing Board policies concerning various human resource and compensation matters, taking action on behalf of the Board as delegated and recommending policy changes, as appropriate. The Governance & HR Committee’s Terms of Reference\(^1\) and membership list\(^2\) is available online.

When possible, business from the Governance & HR Committee is reported out in open session meetings of the Board of Governors. However, many matters addressed by this Committee are brought forward to the Board of Governors in closed session due to their confidential nature or specific privacy concerns. Unless referenced otherwise, items from the Governance & HR Committee will be addressed in closed session.

The Governance & HR Committee met on December 16, 2019 and addressed the following items:

**Labor Relations:** The Governance & HR Committee keeps apprised of all current and upcoming collective bargaining at the University and received a regular update on this matter. The Committee also received a Health, Safety and Wellness Report (see item 6c) and an update on the Wellness@Work initiative.

**Governance Policies & Procedures:** On the recommendation of the Student Rights and Responsibilities Committee, the Committee reviewed and recommended amendments to the Policy on Non-Academic Misconduct. (see item 6b)

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1. https://www.uoguelph.ca/secretariat/menu/board-governors/board-standing-committees/governance-human-resources-committee
2. https://uoguelph.civicweb.net/portal/members.aspx?id=50
**Board Membership:** The Committee is responsible for implementing the Board’s policies and processes with respect to appointment and succession planning for Governors. The Committee receives regular updates on any changes in membership, upcoming vacancies and planning for recruitment of new members.

**Additional Business:** The Committee reviewed Board of Governors meeting dates for the next three-year cycle: 2020-2023 (see item 6d), received an update on planning for annual Board evaluation activities, and held a debrief on fall 2019 activities.
To: Members of the Board of Governors
From: Gen Gauthier-Chalifour, University Secretary
Subject: 6. Governance & Human Resources Committee Report
Meeting: Wednesday, January 22, 2020

b) Policy on Non-Academic Misconduct - Amendments [Motion]

Motion for Consideration
The following motion is presented on the recommendation of the Governance & Human Resources Committee.

The Board of Governors is asked to,
RESOLVE, that the Board of Governors approve the amendments to the Policy on Non-Academic Misconduct and associated procedures, as presented.

Background
The Policy on Non-Academic Misconduct is the primary overarching student conduct policy at the University of Guelph. It is not the sole policy relating to student conduct, there is a web of policies relating to student conduct including such areas as: students at risk, students living in residence, student athletes, off-campus community standards and anti-hazing.

Over the course of 2018-19, and fall 2019, a cyclical (five-year) review was undertaken to update the policy with respect to areas identified through the operation of the policy over the preceding years and changes in the environment.

Primary oversight of the revision process was provided by the Student Rights & Responsibilities Committee, chaired in 2018-19 by Irene Thompson, Director of Student Housing, and chaired in 2019-20 by Carrie Chassels, Vice-Provost (Student Affairs). The majority student committee is comprised of representatives from student organizations across campus, as well as staff or faculty from each college. At its meeting of Monday December 2, 2019, the Student Rights and Responsibilities Committee recommended the enclosed policy for approval by the Board of Governors.

Companion memos to the revision process, dated July 20, 2019, October 1, 2019 and December 2, 2019 are available in online supporting materials and provide an overview of changes made throughout the process. 1 Also included in online supporting materials is a tracked version of the policy and the following associated documents, in tracked form:

- Offences that are Set Fine Eligible
- Guidelines for Common Outcomes

1 https://uoguelph.civicweb.net/filepro/documents/174263
Committee Consideration
At its meeting of December 16, 2019, the Governance & Human Resources Committee considered the revisions to the policy and associated procedures. Committee consideration of the policy included discussion on activity off of the main campus, such as research stations, and discussion of procedure when the judicial committee recommends expulsion.
1. Preamble

1.1. The University of Guelph’s core value is the pursuit of truth. It is animated by a spirit of free and open enquiry, collaboration, and mutual respect. It asserts the fundamental equality of all human beings and is committed to creating for all members of its community, an environment that is hospitable, safe, supportive, equitable, pleasurable, and above all, intellectually challenging (University of Guelph Act, 1964). It is expected that all members of the University community will support and enrich these values by interacting with each other in a manner that is respectful, civil and consistent with the following responsibilities. Failure to abide by these responsibilities, or assisting or conspiring with another individual to act contrary to these responsibilities may result in penalties. The University is committed to the principles of freedom of expression. The University’s Policy Statement on Freedom of Expression sets out freedom of expression in the context of a society where laws exist, values collide and interests compete.

2. Purpose

2.1. The University of Guelph is an environment that develops the person, scholar & citizen. This Policy sets out the University’s expectations regarding student conduct as members of the University of Guelph community.

3. Jurisdiction/Scope

3.1. In this Policy, a “student” is any person registered in a diploma, undergraduate or graduate program at the University of Guelph or otherwise taking credit or non-credit courses offered by the University of Guelph, or any person who was a student at the time the alleged breach occurred. “Campus” means the physical grounds of either the University’s main campus or the Ridgetown campus. This Policy does not apply to students registered at University of Guelph-Humber programs and attending Humber College.

3.2. Except as noted in sections 3.3 to 3.6 this Policy applies to all student non-academic behaviour on campus and to students who are engaged in University programs off campus. Allegations regarding other off campus conduct, including online conduct, may be brought forward under this Policy if the
violation in question materially affects the safety, integrity or educational interests of the University community or as provided under the Community Standards Protocol.

3.3. Alleged breaches of this Policy which arise within University residences may in the discretion of Student Housing Services, proceed under the Residence Community Living Standards.

3.4. Alleged breaches of this Policy which arise at the Ridgetown campus will be subject to the process and procedures specific to that campus.

3.5. Alleged breaches of this Policy committed by students who are identified as Students-At-Risk by the Student At-Risk Team ("SART") may at the discretion of the SART team, proceed under the Protocol for Responding to Students At-Risk.

3.6. Alleged incidents of sexual violence, as defined in the Sexual Violence Policy, will proceed under the Sexual Violence Policy and the Sexual Violence Policy – Procedures Document for Students.

3.7. Student conduct within the academic environment such as the classroom or labs is within the scope of this policy, so long as the conduct falls within sections 4.1 - 4.4.

4. Policy

4.1. **Diversity** – Students have a responsibility to help create and uphold an environment that respects the diversity and differences of members of our campus, and allows all members to be treated with dignity, worth and respect. An example of this type of responsibility is the requirement to abide by the University’s commitment to the Ontario Human Rights Code and the Human Rights at the University of Guelph Policy including but not limited to refraining from engaging in activities that express intolerance on grounds prohibited by the Human Rights at the University of Guelph Policy. *(Previously Section 8)*

4.2. **Integrity** – Students have a responsibility to help maintain the integrity of the University as a community for learning. Students have a responsibility to abide by all Federal, Provincial and Municipal laws and University policies including but not limited to: *(Previously Section 9)*

4.2.1. **Drugs and Drug Paraphernalia** – to not possess, use, supply or traffic illegal drugs, drug paraphernalia or controlled substances. *(Previously Section 9a)*

4.2.2. **Alcohol** - to not possess, purchase, or use liquor while under the age of 19. The sale or provision of alcohol to anyone under the age of 19 is prohibited. Consumption or open possession of liquor is prohibited on campus other than in those areas where it has been specifically permitted. *(Previously Section 9b)*
4.2.3. **Cannabis** – to not possess, purchase, or consume while under the age of 19. Provision to those under the age of 19 is prohibited. The sale of cannabis is prohibited. The smoking of cannabis on campus is prohibited under the University’s Tobacco and Smoke-Free policy. (New section)

4.2.4. **Smoking** - to abide by the University’s Tobacco & Smoke-Free policy, which includes not smoking tobacco or cannabis or using an electronic cigarette or other similar device while on the University of Guelph Campus. Smudging is permitted in accordance with the University’s Smudging Procedure. (Previously Section 9c)

4.2.5. **Information Technology (IT)** - to use computer login codes or passwords and University IT resources (e.g., computing account or workstation) in accordance with the University’s Acceptable Use Policy. (Previously Section 9d)

4.2.6. **Permits and Identification** - to not acquire, use, loan or disseminate University or government identification, express plans, building access cards, bus passes or parking permits that are stolen, borrowed, cancelled, lost, false, altered or expired. To not loan any of your identification to others nor alter or produce fake identification. (Previously Section 9e)

4.2.7. **Cooperation** – to abide by the written directions or instructions of Campus Community Police when acting within the scope of their authority. To abide by any non-monetary penalties imposed by the University under this Policy, the Sexual Violence Policy or the Human Rights Policy, as well as any interim measures. (New section)

4.3. **Learning** – Students have a responsibility to help support community members’ access to the tools they need to engage in their learning and development, both in and outside of the classroom. An example of this type of responsibility is the requirement to abide by the following: (Previously Section 10)

4.3.1. **Access to University Property** - to respect posted hours and limits on entry where such conditions exist. (Previously Section 10a)

4.3.2. **Property** - to not destroy, tamper with, deface or vandalize, monopolize, unlawfully access, remove, obtain through fraudulent means, or possess property not your own, including but not limited to property of the University and personal property. (Previously Section 10b)

4.3.3. **Disruption** - to not interfere with the normal functioning of the University, nor to intimidate, interfere with, threaten or otherwise obstruct any activity organized by the University, including classes, or to hinder other members of the University community from being able to carry on
4. Safety – Students have a responsibility to support an environment that enables all members of the University Community, including students, faculty, staff, visitors and guests, to be safe and free from harm. An example of this type of responsibility is the requirement to abide by the following: (Previously Section 10c)

4.4.1. Harassment - to treat all members of the University community with respect and without harassment. Harassment is defined as any attention or conduct (oral, written, virtual, graphic or physical) by an individual or group who knows, or ought reasonably to know, that such attention or conduct is unwelcome/unwanted, offensive or intimidating. Examples include but are not limited to bullying, and hazing. Hazing is further defined in the University’s Anti-Hazing Protocol. (Previously Section 11a)

4.4.2. Bodily Harm - to not engage in activities that are likely to endanger the health or safety of yourself or another person, or to assault or threaten to assault another person or to knowingly cause another person to fear bodily harm. (Previously Section 11b)

4.4.3. Firearms and Other Weapons - to not possess or bring onto campus any firearms, weapons, or replicas (examples include but not limited to: BB guns, slingshots, paintball guns, firecrackers, gunpowder or any other forms of unauthorized hazardous materials). Students are not allowed to use any objects to injure, threaten or intimidate a person. (Previously Section 11c)

4.4.4. Fire and Life Safety Equipment - to not tamper or interfere with, discharge or activate any life safety or fire equipment on campus unless for the purposes of responding to an emergency. Life safety equipment includes but is not limited to defibrillators, fire extinguishers, fire alarms and emergency phones. (Previously Section 11d)

4.4.5. Guest - to take reasonable steps to ensure their guests comply with this Policy. Students may be held responsible for any breach of the rules committed by their guests on campus. (Previously Section 11e)

4.5. Interim Suspension

4.5.1. If a student has been charged with a breach under this Policy and a student’s conduct raises a reasonable apprehension of harm to the student or to others at the University, or the normal functioning of the University, the President or designate may, in his or her discretion, implement an interim suspension order. A Judicial Hearing will be undertaken as soon as possible and, barring extenuating circumstances, no longer than fourteen working days from the laying of the charge.
4.6. **Penalties**

4.6.1. Upon a finding of a breach of the Non-Academic Misconduct Policy, the Judicial Committee may impose one or more of the following penalties:

4.6.2. **Warning** - A warning makes clear that the misbehavior must not be repeated and identifies the consequences of a repeat breach.

4.6.3. **Non-academic Probation** - The Committee may place a student on non-academic probation for such period of time as the Committee deems appropriate. A student who has been placed on non-academic probation will normally, on a subsequent breach of the Policy, pay any conditional fine given by the Committee. When a student is found responsible for a subsequent breach of the Policy, the Committee may also impose additional penalties, in addition to the payment of a Conditional Fine. In keeping with the principle of progressive discipline, the penalties for a subsequent breach of the Policy may be more significant than when a student is found responsible for a first offence, including potentially recommending the penalty of suspension or expulsion.

4.6.4. **Forbid Entry to Certain Premises** - The Committee may forbid entry to any building or buildings, or areas of the University’s premises, for a period of time deemed appropriate. Students who have been forbidden entry to certain premises shall be the subject of a Trespass Order issued by Campus Police.

4.6.5. **Removal of Objects** - The Committee may order a student to remove objects from the University’s premises or any part thereof, for such period of time as it deems appropriate.

4.6.6. **Restrictions on Computing Privileges** - The Committee may make recommendations to the University’s CIO or designate as to appropriate restrictions on a student’s University computing privileges, as well as the period of time such restrictions should be in force.

4.6.7. **Restitution** - The Committee may order the student to pay the cost(s) or any portion of the cost(s), of any damages to University property or private property destroyed in whole or in part by the student.

4.6.8. **Fine** - The Committee may order the student to pay a fine of any amount, up to a maximum amount of $1000 per breach.

4.6.9. **Conditional Fine** - The Committee may order a conditional fine of any amount, up to a maximum amount of $1000 per breach. A conditional fine is to be paid only in the event that the student is found guilty of a subsequent breach during the probationary period.

4.6.10. **Community Service or Educational Program** - The Committee may order the student to engage in a community or educational program. The program may include but is not limited to a letter of apology, completion
of a specified number of hours of community service, a review of one of
the University policies with the appropriate office and/or participation in
an educational program. Students who do not complete the program by
the established deadline will be required to pay another fine of $100.

4.6.11. **Restricted Access** - The Committee may recommend to the Vice-
Provost Student Affairs that the student be restricted from any academic,
athletic, social or other activity conducted on the University’s premises for
a period of time.

4.6.12. **Suspension or Expulsion** - The Committee may recommend to the
President that a student be suspended or expelled from the University.

4.7. **Process – Main Campus**

4.7.1. Students who do not comply with these responsibilities may be charged
with a breach of this Policy in two ways:

a. a Notice of Offence issued by Campus Community Police, or
b. a complaint laid by an individual or by the University.

4.7.2. Charges may be held for students who cease to be registered and may be
re-activated at such time as the student re-registers.

4.7.3. The hearing process under this Policy is carried out by the Judicial
Committee based on the principles of fairness, participation and
expediency.

4.7.4. The Judicial Committee has authority to issue orders and penalties as
described under section 4.6. If a student has been found guilty of
previous breaches of this Policy or the **Residence Community Living
Standards**, that information is made available to the Judicial Committee
for penalty consideration.

4.8. Information on the Judicial process may be obtained from the Judicial Website,
via email Judicial@uoguelph.ca, or by calling the Judicial Officer 519-824-4120
ext. 54247. Students at the Ridgetown campus should contact the Director’s
Office. For information on penalties, please review the **Offences That Are Set
Fine Eligible and the Guidelines for Common Non-Academic Misconduct
Outcomes**.

4.9. **Periodic Review Process**

4.9.1. This Policy will be reviewed no less frequently than every five years by the
Student Rights & Responsibilities Committee. Comments and specific
suggestions for amendments or additions to the Policy are welcome at
any time and should be referred to the Office of Student Affairs at:
st_affs@uoguelph.ca.

5. **Related Policies, Procedures & Documents**
5.1. Procedures and Guidelines under the Policy on Non-Academic Misconduct

5.1.1. Judicial Committee Terms of Reference

5.1.2. Judicial Committee Rules of Procedure

5.1.3. Appeals Committee Terms of Reference

5.1.4. Appeals Committee Rules of Procedure

5.1.5. Appeals Committee Rules of Procedure – Appeals under the Sexual Violence Procedures Document - Students

5.1.6. Offences That Are Set Fine Eligible

5.1.7. Guidelines for Common Non-Academic Misconduct Outcomes

5.2. Other Related Policies, Procedures and Documents

5.2.1. Residence Community Living Standards

5.2.2. Athletics Code of Conduct

5.2.3. Community Standards Protocol

5.2.4. Anti-Hazing Protocol

5.2.5. Protocol for Responding to Students at Risk

5.2.6. University of Guelph Human Rights Policy and Procedures

5.2.7. University of Guelph Sexual Violence Policy and Procedures

5.2.8. Policy Statement on Freedom of Expression

5.2.9. Tobacco and Smoke Free Policy
To: Members of the Board of Governors
From: Gen Gauthier-Chalifour, University Secretary
Subject: 7. Pensions Committee Report
Meeting: Wednesday, January 22, 2020

a) Report from Committee Chair

As a regular item of business at each meeting, a report is provided from each standing committee chair. Additional background and a written summary of recent business is provided below.

The University sponsors and is the administrator of several pension plans for the benefit of its employees. The Board of Governors is ultimately accountable for the administration of the plans. The Board has established the Pensions Committee to fulfill its responsibilities with respect to the pension plans and has delegated authority with respect to the pension plans as outlined in the Pension Committee's Terms of Reference. The membership list is available online.

The Pensions Committee met on November 22, 2019 and addressed the following items:

**Pension Plan Design and Funding:** The Pensions Committee continues to receive regular updates on the transition to the University Pension Plan, Ontario. The Committee reviewed and approved the assumptions to be used by the plan actuary in the calculation of the valuations of the Professional Plan and Retirement Plan.

**Investment Management:** The Pensions Committee receives regular updates from the Investment Subcommittee which has delegated responsibility with respect to the investment of the assets of the pension plans. The Pensions Committee receives quarterly updates on the performance of pension plan assets. The Committee recommended Board approval of updates to the Statement of Investment Policies & Procedures required by the regulator (see item 7c).

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1. [https://uoguelph.civicweb.net/filepro/documents/174263](https://uoguelph.civicweb.net/filepro/documents/174263)

N:\BOG\3. BOG Meetings\2019-20\2. January 22, 2020\3. Open Session\Cover Memos\Item 7a - Pensions Report - Rpt from Committee Chair.docx
b) Update on Transition to University Pension Plan (UPP), Ontario

Motion for Consideration

Not Applicable - For Information

Background

Don O'Leary, Vice-President (Finance, Administration & Risk), will provide the Board with an oral update on recent activity with respect to the development of the University Pension Plan, Ontario.
To: Members of the Board of Governors
From: Gen Gauthier-Chalifour, University Secretary
Subject: 8. Move to Closed Session
Meeting: Wednesday, January 22, 2020

a) Adjourn Open Session and Move into Closed Session

The Board of Governors is asked to,

RESOLVE, that the Board of Governors move into Closed Session and that Daniel Atlin, Malcolm Campbell, Ted Cogan, Ben Doadt, Audrey Jamal, Lori Kimball, Martha Harley, Mellissa McDonald, Virginia McLaughlin, Karen Menard, Jason Moreton, Don O'Leary, Charlotte Yates, and Jackie Gillis be invited to remain for the Closed Session of the meeting.
To: Members of the Board of Governors
From: Gen Gauthier-Chalifour, University Secretary
Subject: Consent Items
Meeting: Wednesday, January 22, 2020

The remaining items of business are included as consent items under the agenda.

Members may request that an item be removed for any reason. Most often items are removed in order to:

- Facilitate further discussion
- Facilitate voting against or abstaining from voting on an item
- Because a conflict of interest exists

Governors wishing to have an item removed from consent to the regular agenda are asked to contact the University Secretary in advance of the meeting. Governors may also request to have items moved to the regular agenda immediately prior to the approval of the agenda.
c) Approval of the Minutes of October 23, 2019

The Board of Governors is asked to,
RESOLVE, that the minutes of the October 23, 2019 meeting be approved, as presented.
1. Welcome, Approval of Agenda and Minutes

a) Approval of Agenda and Consent Items

The Chair welcomed members and guests and thanked them for attending before the Chair invited members to declare any potential conflict of interest. None were noted. The Chair asked if any members wished to have an item removed from the consent agenda. No requests were made.

On a motion duly moved and seconded, it was RESOLVED, that the October 23, 2019 meeting agenda be approved, as presented; and

FURTHER RESOLVED, that the items listed below be approved, or received for information, by consent.

1. c) Approval of the Minutes of June 21, 2019

RESOLVED, the minutes of June 21, 2019 be approved, as presented.

2. b) Synopsis of the October 7, 2019 Senate Meeting
This item received for information

2. c) Report on Faculty Appointments
   This item received for information

2. d) Board of Governors Scholarship Recipients for 2019-20
   This item received for information

5. d) University of Guelph-Humber Semester Report
   This item received for information

5. e) Senate Committee on Quality Assurance (SCQA) Annual Report
   This item received for information

6. b) Annual Report on Freedom of Expression Policy
   This item received for information

7. c) Proposed Text Amendments to Pension Plans – Retirement Plan

   RESOLVED, that the Board of Governors approve the proposed resolutions concerning amendments to the texts of the Retirement Plan, as presented.

b) Business Arising

The Chair noted that all items of business arising would be addressed as part of the regular agenda.

2. President’s Report

a) Report on University Activities

The Chair referred members to the President’s Kudos Report, included in the meeting materials, and invited President Vaccarino to provide an update on other recent events and items of relevance to the Board.

President Vaccarino first explained the role of the COU before he explained recent activities related to his position as the Chair of the COU. It was noted that the recent Ontario University Summit allowed opportunities for the COU to engage with key senior government officials regarding the new government agenda and new approaches to performance-based funding for universities.

The President then discussed the importance of sustainability for the University. It was noted that the University has created working groups to help collect data on sustainability and that it will begin to benchmark its progress against the international STARS framework (Sustainability Tracking, Assessment & Rating System). The importance of such data in helping the University tell its story to a broader audience of students, faculty, and the community was noted.

The President then highlighted that internationalization remains a key priority for the University, both in terms of creating and disseminating knowledge. He noted that the
University continues to reach out internationally, including welcoming various delegations to the University and hosting key events. President Vaccarino then noted that Professor Stuart McCook has been named the interim assistant vice-president (international strategy and partnerships) and will lead the development and implementation of an international strategy for the University.

In closing, President Vaccarino noted that the Guelph Institute of Environmental Research had been launched on October 22nd, and that the Institute would create a key space for people to come together to develop interdisciplinary scholarship and research.

The Chair invited Daniel Atlin to provide an update on recent changes in the political sphere, including election results.

D. Atlin first drew attention to the federal election results, noting the Liberal minority government and the potential impact on policy making. D. Atlin noted that the Cabinet is expected to be formed within two weeks and that it is likely that the Prime Minister will change some key positions. In closing, D. Atlin highlighted that the University engaged with candidates in all ridings where the University has a presence, including research stations, and that follow up with those individuals will continue as part of the institution’s advocacy initiatives.

The Chair invited questions or comments.

A Governor asked D. Atlin to speak to the local election results. D. Atlin noted that the Liberal candidate had been re-elected with a strong margin and that he is a strong supporter of the University.

3. Strategic Decision

a) Strategic Mandate Agreement 3 (SMA3)

The Chair invited Charlotte Yates, Provost and Vice-President (Academic), to provide a presentation and update on plans for Strategic Mandate Agreement 3 (SMA3).

Provost Yates first drew attention to the Operating Budget and noted that approximately 35% of the budget is derived from provincial operating grants. It was noted that SMA3, which would be implemented between 2020 to 2025, would reflect an incremental shift in weight from enrolment to performance-based funding based on ten metrics. The funding shift will begin with 25% of funding to be performance-based in 2020-21 and will ultimately increase to 60% in 2024-25. Provost Yates then provided an in-depth explanation of the ten performance metrics, and highlighted that the University will have the opportunity to weight the metrics between 5-25 percent. The implications of alternate ratings were discussed. In closing, the Provost noted the timeline for the SMA3.

In response to a question as to the process of defining and populating the metrics, Provost Yates noted that aside from one metric in skills and job outcomes and one metric in economic and community impact, metrics were defined by the government. It was noted that the University set the institutional strength/focus and institutional-
specific metric (economic impact) metrics in consultation with key stakeholders. The Provost then explained the principles that were used for metric selection and noted that the principles were developed with the input of the SMA3 working group.

A Governor questioned if there have been discussions regarding smoothing factors for the metrics. Provost Yates responded that there are no smoothing factors built into the process but that the principles for metric selection were chosen in order to achieve smoothing within the annual year-by-year process.

President Vaccarino noted that, in light of the narrow band of tolerance, the University will be challenged in balancing the ability to maintain the spirit of entrepreneurialism while balancing risk mitigation.

A Governor noted that some metrics will be impacted by externalities, for example, the impact of a recession on the employment rates metric having an impact on all universities. The Governor questioned if the metrics and zones of tolerance incorporate such considerations. Provost Yates noted that universities have engaged in discussion on this matter with government.

4. Audit & Risk Committee Report

a) Report from Committee Chair

The Chair invited Neil Parkinson, chair of the Audit & Risk Committee, to present the report.

N. Parkinson provided members with a brief overview of the items of business discussed at the October 1st meeting.

b) 2018-19 Audited Financial Statements: University of Guelph

N. Parkinson drew attention to the 2018-19 Audited Financial Statements and noted that the Audit & Risk and Finance Committees had reviewed and approved the Statements. D. O’Leary was invited to speak to the Statements.

D. O’Leary first noted that the University remains to be in a positive financial situation partially due to the years of tremendous financial management and performance. It was noted that the 2018-19 Statements reflected a satisfactory performance with some decline due to restrictions on enrollment growth, government support, and recent government policies such as the freezing of domestic tuition. In closing, he noted that the University is looking at ways to increase revenue.

The Chair invited questions or comments. There were none.

On a motion duly moved and seconded, it was RESOLVED, that the Board of Governors approve the University of Guelph Audited Financial Statements for the fiscal year ended April 30, 2019.
c) Safe Disclosure Policy Update

The Committee Chair provided an oral update on the Audit & Risk Committee's consideration of the Safe Disclosure Policy Update.

N. Parkinson noted that a question had previously been raised regarding whether there was an obligation for people to make disclosures. It was noted that the Committee discussed the importance of overall culture and tone and did not feel that a positive obligation to report was a necessary addition to the Policy at this time. It was also noted that the Administration is committed to reconsidering the matter when next reviewing the Policy.

5. Finance Committee Report

a) Report from Committee Chair

The Chair invited Nancy Brown Andison, chair of the Finance Committee, to present the report.

N. Brown Andison provided members with a brief overview of the items of business discussed at the September 19th meeting. In particular, it was highlighted that the performance of the Endowment Fund in relation to its benchmark had been discussed by the Committee and that the Finance Committee had decided to support a broader review of the Endowment Fund investment approach. It was noted that the Pensions Committee supported a similar review with respect to the Pension Fund.

b) Capital Activity – MacKinnon Building – Revised Budget

With reference to the meeting material, N. Brown Andison provided an overview of the revised budget, providing an in-depth explanation of the process of and reasons for the revision of the budget before D. O’Leary was invited to speak to the item.

D. O’Leary drew attention to a comparative analysis of the original budget to the revised budget, provided in the meeting materials. It was highlighted that the revised budget had also been updated to reflect costs and funding associated with equipment and furniture.

On a motion duly moved and seconded, it was

RESOLVED, that the Board of Governors approve that the University Administration be authorized to proceed with the revised MacKinnon Building Renovation and Expansion project, consisting of the Community Improv Theatre project and the North Wing MacKinnon project including that:

a) The total project cost of the combined project not exceed $22.6 million, with funding as follows:
   i) $14.3 million is to be paid from Financing;
   ii) $5 million is to be paid from Heritage Trust funds;
   iii) $2.0 million is to be paid from Grants;
   iv) $0.9 million is to be paid from Unit Reserves; and
   v) $0.4 million is to be paid from Central Reserves.
b) The Administration present a schematic design and detailed design drawings for the project to the Physical Resources and Property Committee; and

c) The University Administration be authorized to determine on behalf of the Board of Governors decisions concerning appointment of architects and consultants in a manner consistent with relevant University purchasing and tendering policies; and,

d) The University Administration be authorized and directed to do all acts and things as may be necessary and desirable to complete the transaction contemplated herein, and that any two Officers of the University are hereby authorized to execute and deliver any and all documents, which in their opinion, are necessary or desirable to give effect to the foregoing; and,

e) That the Physical Resources and Property Committee and Finance Committee receive regular updates regarding the budget, design and materials

Endowment Activity - Update on Responsible Investing Activity

With reference to the meeting material, N. Brown Andison provided an update on the annual report on Responsible Investing, presented to the Board in June 2019.

N. Brown Andison highlighted that at its last meeting, a question had been raised regarding the focus of the baseline on equity investments. Since the last meeting, N. Brown Andison noted that the Committee has become aware of the lack of useable metrics for analysis of fixed income investments. After consideration, it was explained that the Committee felt the intention of the original motion was related to the equity portion of the portfolio. It was also noted that the majority of fixed income assets are government bonds, not corporate bonds.

6. Governance & Human Resources Committee Report

a) Report from Committee Chair

The Chair invited Eleanor Fritz, chair of the Governance & Human Resources Committee, to present the report.

E. Fritz provided members with a brief overview of the items of business discussed at the July 30th and September 19th meetings.

7. Pensions Committee Report

a) Report from Committee Chair

The Chair invited N. Brown Andison to present the report.

N. Brown Andison provided members with a brief overview of the items of business discussed at the September 17th meeting. It was highlighted that the Pensions Committee also supported a broader review of investment strategy with respect to the Pension Fund, similar to the Finance Committee with respect to the Endowment Fund.
b) Transition to University Plan, Ontario (UPP)

N. Brown Andison drew attention to the cover memo related to the item, and noted that all membership groups across the three universities have voted in favour of the UPP. It was further noted that the Pensions Committee conducted a clause by clause review of the motion. The Chair invited D. O’Leary to speak to the item.

D. O’Leary highlighted that the Plans will be closed at conversion date but that the approvals include the ability of the University to continue to operate some functions of administration and investment on behalf of the UPP in order to allow for a smooth transition.

On a motion duly moved and seconded, it was

RESOLVED, that the Board of Governors authorize the University Administration to proceed with the transfer of the assets and liabilities from the University's single employer pension plans; the Professional Plan, the Retirement Plan and the Non-Professional Plan (the “Current Plans”), to the jointly sponsored University Pension Plan, Ontario, in accordance with the requirements of the Pension Benefits Act, RSO 1990 c P8 and in accordance with the terms set out below;

a) Effective from the Conversion Date the Current Plans be amended such that, effective from the Conversion Date, they are closed to new Members and all existing Members of the Current Plans shall cease to accrue benefits under the Current Plans;

b) Confirmation of support for the University Pension Plan Ontario (registration pending; the “UPP”) in accordance with the Milestones and Key Terms Summary Agreement regarding the University Sector Jointly Sponsored Pension Plan dated February 27, 2018, as amended (the “Milestones Agreement”);

c) Effective January 1, 2020, University shall participate in the “Employer Sponsor” of the UPP, which, together with the “Employee Sponsor” of the UPP (collectively, the “Joint Sponsors”), will establish the UPP, enter into plan documents (including, but not limited to, a Sponsors’ Agreement, plan text, Trust Agreement and Funding Agreement), and appoint a Board of Trustees to administrate the UPP, all in accordance with the Milestones Agreement;

d) Effective January 1, 2020 on a contingent basis, and from the Conversion Date, upon satisfying the applicable eligibility conditions, eligible staff shall participate in, and accrue benefits under, the UPP, pursuant to the terms of the UPP text established by the Joint Sponsors, as such UPP text may be amended by the Joint Sponsors from time to time;

e) The University administration is authorized to enter into a participation agreement with the Joint Sponsors providing for the University of Guelph’s participation in the UPP in respect of its eligible staff;

f) The University shall, as required by the Milestones Agreement, fund through fixed annual payments for 15 years, any deficit on pre-
Conversion Date service under the Current Plans existing on the Conversion Date, regardless of any subsequent gains or losses on such deficit, such deficit being calculated using the actuarial assumptions adopted to value the benefits earned under the UPP and shall thereafter fund any losses arising after the Conversion Date related to pre-Conversion Date service as required by the Milestones Agreement;

g) As soon as practicable after the Conversion Date, upon the assets and liabilities of the Current Plans having been transferred to and assumed by the UPP, the University shall (as sponsor of the Current Plans) take the steps necessary or desirable, if any, to confirm the termination of the registration of the Current Plans with the applicable governmental authorities as a result of its conversion and merger into the UPP;

h) With a view to the orderly transfer of the assets and liabilities of the Current Plans to the UPP, and the proper administration by the UPP of contributions to and benefits under the UPP, as well as the prudent investment by the UPP of the assets transferred from the Current Plans to the UPP, the University may, subject to the requirements of such agreements, and conditional upon terms and conditions satisfactory to the University, assign to the UPP, in whole or in part, the rights and obligations of the University pursuant to any agreement under which the University receives services as administrator of the Current Plans (the “Pension Administration Service Agreements” and “Pension Investment Service Agreements”).

i) With a view to the orderly transfer of the assets and liabilities of the Current Plans to the UPP, the proper administration by the UPP of contributions to and benefits under the UPP, and/or the prudent investment by the UPP Board of Trustees of the assets transferred from the Current Plans to the UPP, the University may, on an interim basis and pursuant to terms and conditions satisfactory to the University provide services to the UPP as agent of the UPP (in its capacity as administrator of the UPP) and, in so doing, the University may as agent of the UPP engage third party service providers (including one or more of the service providers under the Pension Administration Service Agreements or the Pension Investment Service Agreements);

j) Subject to assignment by the University of its rights and obligations under a Pension Administration Service Agreement or Pension Investment Service Agreement to the UPP, and the assumption of such rights and obligations by the UPP, the University, in connection with the conversion and merger of the Current Plans into the UPP and following an anticipated period of transition, terminate such Agreements when the relevant services are no longer necessary or desirable;

FURTHER RESOLVED, that the University Administration be authorized and directed to do all acts and things, including completing all necessary regulatory filings and approving or executing all documents as may be necessary or desirable to give
effect to the foregoing resolutions, and that any two Officers of the University are hereby authorized to execute and deliver any and all documents, which in their opinion, are necessary or desirable to give effect to the foregoing; and

FURTHER RESOLVED; that the above is contingent upon the Governing Council of the University of Toronto and the Board of Trustees of Queen’s University at Kingston passing similar motions of support, such that the University of Guelph, the University of Toronto and Queen’s University at Kingston participate together in the Employer Sponsor of the Joint Sponsors of the UPP. In expectation that the Governing Council and Board of Trustees shall express such support, the above remains in effect unless and until notice is received that the Governing Council and/or the Board of Trustees have expressly declined continued participation in the formation of the UPP.

8. Physical Resources & Property Committee Report
   a) Report from Committee Chair
      The Chair drew attention to the Report which outlined the items of business discussed at the September 13th meeting.

9. Moved to Closed Session
   a) Adjourn Open Session and Move into Closed Session

On a motion duly moved and seconded, it was RESOLVED, that the Board of Governors move into Closed Session and that Daniel Atlin, Malcolm Campbell, Ted Cogan, Ben Doadt, Audrey Jamal, Lori Kimball, Martha Harley, Virginia McLaughlin, Jason Moreton, Don O’Leary, Charlotte Yates, and Jackie Gillis be invited to remain for the Closed Session of the meeting.
To: Members of the Board of Governors
From: Gen Gauthier-Chalifour, University Secretary
Subject: 2. President’s Report - CONSENT
Meeting: Wednesday, January 22, 2020


c) Synopsis of the November 25, 2019 Senate Meeting

As one way of promoting transparency in governance and fostering connectivity between the Board of Governors and Senate, the University Secretariat has undertaken a process of writing synopses from the open sessions of Senate and Board of Governors meetings. These synopses are shared with the University community through internal campus communications and are included as a routine information item at Board and Senate meetings.

The synopsis of the November 25, 2019 Senate meeting is enclosed for information.
The second Senate meeting of the 2019-20 session was held on November 25, 2019 and was chaired by President Franco Vaccarino.

David Said, President & CEO of the Graduate Student Association, commenced the meeting with a land acknowledgment.

**Leadership Updates**

The President offered oral remarks, highlighting an eleven-million-dollar gift to the Ontario Veterinary College from Kim and Stu Lang in aid of the Community Healthcare Partnership Program; celebrating the launch of the Guelph Institute for Environmental Research; and noting that construction on major renovations to the MacKinnon Building has begun. The President also provided updates on the impressive exhibit hosted by the University at the Royal Winter Fair, and on our engagement with students at the Ontario Universities Fair. The President remarked on the University’s growing reputation and how this is translating into growth in graduate and international student enrolment. Senior administration is closely following the recent Divisional Court decision that struck down the Student Choice Initiative (regarding student fees) and awaiting government response to the court’s decision. Congratulations were extended to the Gordon S. Lang School of Business and Economics for their work in promoting sustainability in the MBA program, resulting in its top 20 ranking on the Corporate Knights Better World MBA list. Additional congratulations went to Brandon Raco, Sustainability Manager in Physical Resources, whom Corporate Knights recognized as one of its Top 30 Under 30 Sustainability Leaders.

The Provost provided a presentation primarily focused on the Strategic Mandate Agreement (SMA3), contextualizing our focus over the next few months, and emphasizing the importance of planning. Building on the presentation from the last Senate meeting, the Provost shared data and principles used for metric selection in SMA3.

**Key Business Items and Approvals**

Other key items of business at the meeting included:

- Approval of the University of Guelph’s 5-year strategic teaching and learning plan.
- Approval of the Policy on the Establishment of the Schedule of Dates.
- Approval of a new collaborative specialization in One Health.
- Presentation of the quality review report for the School of Environmental Sciences, Environmental Management Major in the Bachelor of Bio-Resource Management program.
- Presentation of the quality review report for the University of Guelph-Humber, Bachelor of Business Administration-Diploma in Business Administration program.
- Presentation of the University of Guelph-Humber, Bachelor of Applied Arts in Media Studies-Diploma in Media Communications program.
- Presentation of the One-Year Follow-up report for the Bachelor of Science in Agriculture program.
- Presentation of the Committee on Student Petitions Annual Report 2018-19.
- Presentation of the Animal Care Committee Annual Report 2018-19.
- Items presented for information, including: update from the COU Academic Colleague, update from the Presidential Selection Committee, graduate curriculum changes, graduate faculty appointments, undergraduate curriculum changes, gender-neutral revisions to the academic calendars, Board of Undergraduate Studies sub-committee memberships, updates to the University of Guelph and University of Guelph-Humber Winter 2021 Schedule of Dates, and non-degree program changes.

More Information

The complete meeting agenda package is available on the University Secretariat’s Governance Portal and includes detailed information on the items listed above. The official record of the meeting are the meeting minutes, which will be available following their approval at the next regularly scheduled Senate meeting.

2019-20 Senate Meetings

The remaining meeting dates for the 2019-20 Senate Session are as follows:

- Monday, February 10, 2020
- Monday, March 30, 2020
- Monday, June 1, 2020

Meetings are open to the public and visitors who wish to attend should contact the University Secretariat at univsec@uoguelph.ca
To: Members of the Board of Governors
From: Gen Gauthier-Chalifour, University Secretary
Subject: 5. Finance Committee Report – CONSENT
Meeting: Wednesday, January 22, 2020

e) University of Guelph and University of Guelph-Humber Semester Reports

Motion for Consideration

Not Applicable – For Information

Background

Financial reporting for both the University of Guelph and the University of Guelph-Humber is provided on a regular basis to the Finance Committee and the Board of Governors.

Committee Consideration

Semester Reports for both the University of Guelph and the University of Guelph-Humber were received for information at the Finance Committee meeting of December 2, 2019, and are provided to the Board for information.
UNIVERSITY OF GUELPH


For the Finance Committee of the Board
[December 2, 2019]

The attached statements are prepared as information for the Finance Committee and the Board of Governors on the financial results of major University operations for the beginning of the 2019/20 fiscal year. The University’s fiscal year is from May 1 to April 30 and normal financial reporting dates for operating activity are August 31 (semester 1), December 31 (semester 2) and April 30 (semester 3 or year-end). These dates are based on the main academic teaching periods.

This presentation includes the following statements which summarize year to date (“YTD”) information for:

1. Statement 1: General Operating Fund Expenses for May to August
2. Statement 2: Ontario Ministry of Agriculture, Food and Rural Affairs Agreement for May to October
3. Statement 3: Ancillary Enterprises results for May to August

In addition, three “dashboards” are presented:

1. Pension Plans Funding; Contributions to date and Projections
2. Operating Investment Portfolio; Year-to-date performance and balances for Expendable Fund Portfolio investment activity as at September 30th
3. Endowment Fund Portfolio; Five-year investment performance, Asset Mix compliance, Growth and General Endowment Fund (“GEF”) balances as at September 30th as well as spending from GEF accounts for May to August
### General Operating Fund Expenses for May to August (Statement 1):

<table>
<thead>
<tr>
<th>(in thousands of dollars)</th>
<th>Aug YTD 2019</th>
<th>Aug YTD 2018</th>
<th>Year over Year (&quot;YoY&quot;) Change ($)</th>
<th>(%</th>
<th>Note</th>
<th>2019-20 Budget</th>
<th>Budget % YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>90,234</td>
<td>87,624</td>
<td>2,610</td>
<td>3.0%</td>
<td>#1</td>
<td>297,915</td>
<td>1.5%</td>
</tr>
<tr>
<td>Benefits and Pension</td>
<td>26,064</td>
<td>27,236</td>
<td>(1,172)</td>
<td>-4.3%</td>
<td>#2</td>
<td>82,404</td>
<td>-3.7%</td>
</tr>
<tr>
<td>Scholarships and Bursaries</td>
<td>2,284</td>
<td>2,350</td>
<td>(66)</td>
<td>-2.8%</td>
<td></td>
<td>29,210</td>
<td>-2.6%</td>
</tr>
<tr>
<td>Utilities</td>
<td>5,059</td>
<td>4,251</td>
<td>808</td>
<td>19.0%</td>
<td>#3</td>
<td>16,093</td>
<td>-30.9%</td>
</tr>
<tr>
<td>Operating</td>
<td>31,687</td>
<td>32,135</td>
<td>(448)</td>
<td>-1.4%</td>
<td>#4</td>
<td>87,559</td>
<td>19.6%</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>155,328</td>
<td>153,596</td>
<td>1,732</td>
<td>1.1%</td>
<td></td>
<td>513,181</td>
<td>1.5%</td>
</tr>
<tr>
<td><strong>Transfers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>From OMAFRA</td>
<td>(7,848)</td>
<td>(7,275)</td>
<td>(573)</td>
<td>7.9%</td>
<td></td>
<td>(23,545)</td>
<td>0.0%</td>
</tr>
<tr>
<td>From Ancillaries</td>
<td>(4,226)</td>
<td>(4,127)</td>
<td>(99)</td>
<td>2.4%</td>
<td></td>
<td>(12,847)</td>
<td>8.6%</td>
</tr>
<tr>
<td>From Heritage</td>
<td>242</td>
<td>0</td>
<td>n/a</td>
<td>n/a</td>
<td></td>
<td>(1,473)</td>
<td>n/a</td>
</tr>
<tr>
<td>To Major Capital &amp; Debt Servicing</td>
<td>7,793</td>
<td>7,873</td>
<td>(80)</td>
<td>3.1%</td>
<td></td>
<td>23,380</td>
<td>-4.0%</td>
</tr>
<tr>
<td><strong>Total Transfers</strong></td>
<td>(4,039)</td>
<td>(3,529)</td>
<td>(510)</td>
<td></td>
<td>#5</td>
<td>(14,485)</td>
<td></td>
</tr>
</tbody>
</table>

**Note #1 Salaries:** Salaries include full-time and part-time University employees. Current period costs are in line with budgeted estimates.

**Note #2 Benefits:** Benefits reflects employer costs of statutory and negotiated employee benefits charged to the Operating Budget (and all funds).

<table>
<thead>
<tr>
<th>(in thousands of dollars)</th>
<th>Aug YTD 2019</th>
<th>Aug YTD 2018</th>
<th>YoY ($)</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits</td>
<td>24,464</td>
<td>22,972</td>
<td>1,492</td>
<td>6.5%</td>
</tr>
<tr>
<td>Pension Special Payments Support</td>
<td>1,600</td>
<td>4,267</td>
<td>(2,667)</td>
<td>-62.5%</td>
</tr>
<tr>
<td></td>
<td>26,064</td>
<td>27,239</td>
<td>(1,175)</td>
<td>-4.3%</td>
</tr>
</tbody>
</table>

Pension cash contributions into the University’s sponsored defined benefit plans form a major financial commitment. The budget “Benefits” line above contains 80% for the General Operating fund of the total $27.6 million in fiscal 2019-20 for pension plan normal costs. In addition, funding of $4.8 million (Pension Special Payments Support) is allocated to support projected going concern contributions. Solvency payments are not included in the General Operating statement. See Pension Plan Funding on page #9 for more information on pension contributions.

**Note #3 Utilities:** Electricity rates have continued to increase and an adjustment in 2018 have resulted in 2019 summer costs being 19% higher than the previous year. See the following table for details.

<table>
<thead>
<tr>
<th>(in thousands of dollars)</th>
<th>Aug YTD 2019</th>
<th>Aug YTD 2018</th>
<th>YoY ($)</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydro</td>
<td>2,117</td>
<td>1,773</td>
<td>344</td>
<td>19.4%</td>
</tr>
</tbody>
</table>

1 The “2019-20 Budget” and “Budget % YoY” columns above can be found in the General Operating Budget Plan Summary table on page 15 of the Board approved Budget Plan 2019-20 dated May 31, 2019 found on the University’s website at https://www.uoguelph.ca/bfpo/system/files/University-Budget-Plan-2019-20-Final_FINAL-s.pdf
In recent years, actual Utilities expenses have been significantly lower than budgeted. The 2019/20 Budget realized these savings to a large extent by reducing the budget by 30% to $16.1 million from $23.3 million. When compared to the actual expense in 2018/19 of $13.9 million, the 2019/20 Budget anticipated an overall increase of 16% in Utilities expense.

**Note #4 Operating:** Operating costs include a wide variety of recurring and one-time expenses which include departmental renovation costs, software and systems projects and equipment purchases. See table below for further breakdown.

<table>
<thead>
<tr>
<th>(in thousands of dollars)</th>
<th>Aug YTD 2019</th>
<th>Aug YTD 2018</th>
<th>YoY ($)</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplies</td>
<td>5,254</td>
<td>5,171</td>
<td>83</td>
<td>1.6%</td>
</tr>
<tr>
<td>Professional and Externally Contracted Services</td>
<td>6,338</td>
<td>5,858</td>
<td>480</td>
<td>8.2%</td>
</tr>
<tr>
<td>Equipment, Repairs and Maintenance</td>
<td>4,678</td>
<td>5,032</td>
<td>(354)</td>
<td>-7.0%</td>
</tr>
<tr>
<td>Travel</td>
<td>2,700</td>
<td>2,535</td>
<td>165</td>
<td>6.5%</td>
</tr>
<tr>
<td>Other</td>
<td>12,717</td>
<td>13,539</td>
<td>(822)</td>
<td>-6.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>31,687</strong></td>
<td><strong>32,135</strong></td>
<td><strong>448</strong></td>
<td>-1.4%</td>
</tr>
</tbody>
</table>

The annual budget for Operating was lower in 2018-19 due to the allocation of one-time Balance Budget targets to all units which was used to balance the overall budget. In addition, there were several in-year budget revisions including one-time realignments to salary budgets. These adjustments are not in the 2019-20 budget and form a large part of the 19.6% Budget YoY reported above. The year over year decrease of 1.4% in actual expenses reflects a mix of larger increases and decreases within the items listed above, but the overall change is not material.

**Note #5 Transfers:** Transfers from OMAFRA, Ancillary Enterprises, and the Heritage Fund are all in line with the annual Budget for each. Transfers from the Heritage fund will occur periodically throughout the fiscal year. The University’s planned General Operating fund support for major capital & debt servicing is also on track with budget.

Note that the Annual Budget in Statement 1 excludes the internally restricted funds of $202.85 million remaining at the end of the prior fiscal year but are available as carryforwards in the General Operating budget for targeted expenditures.
**OMAFRA Agreement Revenues & Expenses for the 6 months ended October 31st, 2019**

All funds received under the Ontario Ministry of Agriculture, Food and Rural Affairs ("OMAFRA") Agreement are restricted for the programs/purposes of the Agreement. The Agreement was most recently renewed for a five-year period effective April 2018 and the major programs include: Research, Veterinary Capacity ("VCP"), Animal Health Laboratory ("AHL"), Agriculture and Food Laboratory ("AFL"), and Property Management for ARIO properties including facility costs, personnel and operating costs.

The 2019/20 budget, a component of the annual Business Plan, was approved by the Executive Committee (a joint governance committee of the OMAFRA/UofG Agreement) on August 1, 2019. As part of the Agreement, the University is responsible for submitting quarterly reports to the Ministry for review. The numbers below reflect the second quarterly report submitted to OMAFRA for 2019/20.

<table>
<thead>
<tr>
<th>(in thousands of dollars)</th>
<th>Oct YTD</th>
<th>Y/E</th>
<th>Budget</th>
<th>Variance</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OMAFRA Agreement</td>
<td>38,109</td>
<td>66,100</td>
<td>66,100</td>
<td>-</td>
<td>#1</td>
</tr>
<tr>
<td>OMAFRA Other</td>
<td>3,021</td>
<td>6,000</td>
<td>6,000</td>
<td>-</td>
<td>#2</td>
</tr>
<tr>
<td>Sales Goods and Services</td>
<td>9,073</td>
<td>19,875</td>
<td>20,347</td>
<td>(472)</td>
<td>#3</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>208</td>
<td>918</td>
<td>785</td>
<td>133</td>
<td>#3</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>50,411</td>
<td>92,893</td>
<td>93,232</td>
<td>(339)</td>
<td></td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary and Wages</td>
<td>17,737</td>
<td>34,857</td>
<td>35,115</td>
<td>258</td>
<td></td>
</tr>
<tr>
<td>Non Salary Benefits</td>
<td>4,464</td>
<td>8,844</td>
<td>9,076</td>
<td>233</td>
<td>#4</td>
</tr>
<tr>
<td>Faculty Pool</td>
<td>6,522</td>
<td>13,045</td>
<td>13,045</td>
<td>-</td>
<td>#5</td>
</tr>
<tr>
<td>Travel</td>
<td>599</td>
<td>921</td>
<td>951</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td>Operating</td>
<td>23,211</td>
<td>45,039</td>
<td>43,429</td>
<td>(1,609)</td>
<td>#6</td>
</tr>
<tr>
<td>Internal Recoveries</td>
<td>(2,123)</td>
<td>(4,644)</td>
<td>(4,167)</td>
<td>477</td>
<td>#7</td>
</tr>
<tr>
<td>Budget Adjustment</td>
<td>-</td>
<td>-</td>
<td>(4,217)</td>
<td>(4,217)</td>
<td>#8</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>50,411</td>
<td>98,062</td>
<td>93,232</td>
<td>(4,829)</td>
<td></td>
</tr>
<tr>
<td><strong>OMAFRA Net Expenses</strong></td>
<td>-</td>
<td>5,169</td>
<td>- (5,169)</td>
<td></td>
<td>#9</td>
</tr>
</tbody>
</table>

Note #1 OMAFRA Agreement: Expenditures, net of program revenues and laboratory fees are “claimed” as they are incurred, against the provincial grant. The budget of $66.1 million is the 2019/2020 Annual Maximum Funds for the Agreement.

Note #2 OMAFRA Other: The current budget of $6.0 million is comprised of $0.5 million in equipment support for the Agriculture and Food and Animal Health Laboratories and $5.5 million for the Research Stations and Ridgetown for ARIO Minor Capital and Repairs ($4.5 million for Minor Capital and $1.0 million for the extension of water main services to the Kemptville farm property that was not part of the main campus property sale).

Note #3 Sales Goods and Services & Other Revenue: These categories include revenues from service programs such as laboratory testing and miscellaneous sales of goods and services at various research station locations including the sale of agricultural produce and livestock. AFL revenues are expected to be down $620 thousand in 2019/20 largely due to a reduction in the soil mapping program by OMAFRA. Approx. $100 thousand of the positive variance in Other Revenue is in the Property Management program and is related to increased rental recoveries to cover higher operating costs.
Note #4 Non Salary Benefits: Over half of the positive variance in Non Salary Benefits is due to the utilization of temporary full-time staff to cover absences of regular incumbents in the AFL.

Note #5 Faculty Pool Transfers: The OMAFRA agreement includes fixed transfers to the University General Operating budget in support of University Faculty positions totaling $13.045 million annually.

Note #6 Operating: Operating expenses in the AHL & AFL are expected to be over budget and funded by approved draws from reserves related to expected equipment reinvestment costs of $0.710 million & $0.624 million, respectively. Operating expenses in the Property Management program are forecasted to be over budget by $0.698 million mainly due to utility, equipment rental and maintenance costs.

Note #7 Internal Recoveries: The forecasted positive variance partly relates to the HQP Scholarship Program and the additional support, beyond the matching requirement, provided from Food from Thought as well as a number of recoveries in Tier I Research projects for work-study students and undergraduate research assistantships. Higher than expected internal animal sales were also a contributing factor.

Note #8 Budget Adjustment: The budget in the General and Inflation Reserve (an uncommitted general and inflation contingency being held for Agreement budget balancing) is negative $4.217 million due to the approved difference between the Annual Maximum Funds and the Program budgets. No actuals are expected, so the variance will equal the budget.

Note #9 OMAFRA Net Expense: Expenses are currently forecasted to exceed revenues which is expected to draw down on the Agreement Carry Forward (accumulated unspent budget) from $42.070 million from prior years to $36.901 million by April 30, 2020.
### Ancillary Enterprises for May to August (Statement 3):

<table>
<thead>
<tr>
<th></th>
<th>Aug YTD Budget</th>
<th>Aug YTD Actual</th>
<th>Variance</th>
<th>Note</th>
<th>Annual Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Fees – Contracts</td>
<td>135</td>
<td>171</td>
<td>36</td>
<td>43,651</td>
<td></td>
</tr>
<tr>
<td>Other Sales of Goods and Services</td>
<td>6,609</td>
<td>6,794</td>
<td>185</td>
<td>36,080</td>
<td></td>
</tr>
<tr>
<td>Real Estate – Lease and Property Income</td>
<td>1,752</td>
<td>1,768</td>
<td>16</td>
<td>6,096</td>
<td></td>
</tr>
<tr>
<td>Parking Revenue</td>
<td>1,533</td>
<td>2,019</td>
<td>486</td>
<td>4,600</td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>10,029</td>
<td>10,752</td>
<td>723</td>
<td>#1</td>
<td>90,427</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>4,424</td>
<td>4,227</td>
<td>197</td>
<td>21,682</td>
<td></td>
</tr>
<tr>
<td>Benefits (including Pension)</td>
<td>1,053</td>
<td>1,048</td>
<td>5</td>
<td>4,407</td>
<td></td>
</tr>
<tr>
<td>Renovations &amp; Capital Equipment</td>
<td>8,928</td>
<td>9,062</td>
<td>(134)</td>
<td>11,955</td>
<td></td>
</tr>
<tr>
<td>External Debt Servicing</td>
<td>2,337</td>
<td>2,277</td>
<td>60</td>
<td>7,012</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>284</td>
<td>268</td>
<td>16</td>
<td>1,128</td>
<td></td>
</tr>
<tr>
<td>Operating</td>
<td>4,119</td>
<td>4,031</td>
<td>88</td>
<td>25,739</td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>21,145</td>
<td>20,913</td>
<td>232</td>
<td>#2</td>
<td>71,923</td>
</tr>
<tr>
<td><strong>University Transfers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To Heritage Fund</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,623</td>
</tr>
<tr>
<td>To Operating Fund</td>
<td>4,131</td>
<td>4,094</td>
<td>37</td>
<td>11,509</td>
<td></td>
</tr>
<tr>
<td>To Major Capital &amp; Internal Debt Servicing</td>
<td>923</td>
<td>950</td>
<td>(27)</td>
<td>3,584</td>
<td></td>
</tr>
<tr>
<td><strong>Total University Transfers</strong></td>
<td>5,054</td>
<td>5,044</td>
<td>10</td>
<td>#2</td>
<td>19,716</td>
</tr>
<tr>
<td><strong>Revenue Less Expenses</strong></td>
<td>(16,170)</td>
<td>(15,205)</td>
<td>965</td>
<td>#3</td>
<td>(1,212)</td>
</tr>
<tr>
<td><strong>Revenue Less Expenses by Unit</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Housing Services</td>
<td>(14,312)</td>
<td>(13,738)</td>
<td>574</td>
<td>#4</td>
<td>(2,004)</td>
</tr>
<tr>
<td>Hospitality &amp; Retail Services</td>
<td>(2,566)</td>
<td>(2,643)</td>
<td>(77)</td>
<td>#5</td>
<td>12</td>
</tr>
<tr>
<td>Sustainable Transportation &amp; Parking Services</td>
<td>(295)</td>
<td>274</td>
<td>569</td>
<td>#6</td>
<td>(33)</td>
</tr>
<tr>
<td>Real Estate Division</td>
<td>1,526</td>
<td>1,511</td>
<td>(15)</td>
<td>#7</td>
<td>783</td>
</tr>
<tr>
<td>University Centre Services</td>
<td>(523)</td>
<td>(609)</td>
<td>(86)</td>
<td>#8</td>
<td>30</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(16,170)</td>
<td>(15,205)</td>
<td>965</td>
<td>#1</td>
<td>(1,212)</td>
</tr>
<tr>
<td><strong>Unrestricted Net Assets (Reserves) by Unit</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Housing Services</td>
<td>6,581</td>
<td></td>
<td></td>
<td></td>
<td>4,577</td>
</tr>
<tr>
<td>Hospitality &amp; Retail Services</td>
<td>249</td>
<td></td>
<td></td>
<td></td>
<td>261</td>
</tr>
<tr>
<td>Sustainable Transportation &amp; Parking Services</td>
<td>1,515</td>
<td></td>
<td></td>
<td></td>
<td>1,482</td>
</tr>
<tr>
<td>Real Estate Division</td>
<td>4,770</td>
<td></td>
<td></td>
<td></td>
<td>5,553</td>
</tr>
<tr>
<td>University Centre Services</td>
<td>231</td>
<td></td>
<td></td>
<td></td>
<td>261</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>13,346</td>
<td></td>
<td></td>
<td></td>
<td>12,134</td>
</tr>
</tbody>
</table>
Note #1 Ancillary Revenue: Positive variances in revenues were primarily driven by better than expected sales of semesterly and yearly parking passes and stronger than expected summer conference revenues in Student Housing Services.

Note #2 Ancillary Expenses & Transfers: Overall expenses are showing a positive variance most of which was due to vacant positions in Parking Services and Student Housing Services partially offset by extra costs in Renovations & Capital Equipment in University Centre Services.

Note #3 Revenue Less Expenses: The net operating results for the ancillary enterprises at this semester shows a positive variance to budget of $965 thousand reflecting overall positive variances in Student Housing and Parking Services partially offset by negative variances in University Centre Services, Hospitality & Retail Services and Real Estate Division.

Note #4 Student Housing Services Operating Results: The higher than expected conference revenue and vacant positions in the summer were the main causes for the positive variance in the operating results. Student Housing Services incurred the majority of their capital and renovation expenses in the summer semester as is usually the case and is now reflecting a small positive variance in this category.

Total Unrestricted Net Assets per Audited Financial Statements included unrealized losses on Interest Rate Swaps for Student Housing of $4.04 million as of April 30, 2019. These Swaps are used to lock in long-term interest costs on bank financing and there is no plan to realize any portion of this unrealized position. Therefore, it is excluded on this presentation as it does not form part of the annual budget planning consideration.

Note #5 Hospitality & Retail Services Operating Results: Overall, net results for the division are in line with budget.

Note #6 Sustainable Transportation & Parking Services Operating Results: The positive variance in Parking revenue and expenses is attributable to greater than anticipated permit sales and vacant positions.

Note #7 Real Estate Division Operating Results: Overall, net results for the division are in line with budget.

Note #8 University Centre Services Operating Results: The negative variance in University Centre Services was mainly due to an unbudgeted renovation project that will be funded from prior years accumulated unrestricted net assets.
Pension Plan Funding

Based on the results of the most recent funding valuations for the University-sponsored pension plans as of October 1, 2018, the previous Going Concern deficit of $109.1 million improved to a surplus of $4.4 million (one of the three registered plans continues to be in a deficit position) and the Solvency deficit dropped from $615.5 million to $286.3 million, significantly impacting contribution requirements.

Based on the revised contributions required by the Oct 2018 valuations, the University contributed more than was required for Special Payments in the Oct’18 to Apr’19 period as the valuation wasn’t filed until May 2019.

Total cash contributions for normal costs in fiscal 2019-20 are forecasted to be $23.2 million in total after application of the special payment over contribution mentioned above as well as the permitted use of letters of credit to satisfy solvency special payment requirements of $4.2 million.

The University has two major sources of funding for pension contributions: base budget funding of $32.4 million less a one-time savings of $4.0 million in 2019-20 due to overpayments, and special reserves if needed. Current estimates indicate that no draw on special reserves will be needed in 2019-20.

The graph to the right shows required contributions for the three-year period ending April 2020. Normal Cost contributions are expected to be almost $28 million, similar to 2018-19.

The $21.5 million balance in accumulated reserves for pension is expected to be utilized to support the upcoming transition to the University Pension Plan (“UPP”) currently being developed in Ontario, as well as to help offset the going concern liability outstanding at time of transition.
Operating Portfolio (Expendable Fund Portfolio ‘EFP’)

The Portfolio:
Composed of accumulated operating cash flows. Major sources include reserves, carry-forward appropriations and deferred contributions. Funds are invested in accordance with a Board approved policy specific to this portfolio (Expendable Fund Investment Policy). The Sept 2019 EFP increased $9.7 million compared to Sept 2018 balances due to the following major components:

- Lower pension payments as required by the most recent pension valuation & use of Letters of Credit to cover required Solvency deficit special payments;
- Partially offset by higher non-pension related employee expenses and reduced tuition and government grants.

Investment Returns – Short Term EFP:
- The Short-term EFP earned $3.7 million of investment gains for fiscal year to date (5 months) ending Sept 30, 2019. Temporary gains on our bonds were driven by a decrease and flattening of the yield curve; these current period gains will reduce future period gains as we hold our bonds to maturity.
- The EFP outperformed the benchmark due to the decision to invest in GICs and cash; which continue to outperform bond returns.

*Benchmark: 30-day cash balance requirement @ DEX91day TBILL + Residual balances @ DEX91day TBILL + 50 basis points.

Composition and Holdings:
The Short-term EFP composition and term to maturity are depicted graphically below. A review of pooled funds was recently completed, the result of which is that funds are being redirected to a new provider and represented as Cash during the transition. All investments are compliant with the Board approved Expendable Investment Fund Policy.
**Endowment Fund Portfolio Calendar Q3 (Sept 30th) Update**

**Investment Performance**
The U.S. – China trade war continued to cloud the outlook for global growth and whipsaw markets. The endowment fund lost 0.5% between May 1st and September 30th, 2019 underperforming its benchmark.

**Asset Mix**
The asset mix as of September 30, 2019 is as shown in the chart to the right. There are no major variances and all categories comply with the Endowment Investment Policy.

**Growth of the Assets – Market Value (Years ended Sept 30th)**
The portfolio has grown from both the impact of annual returns as well as net capital additions of approx. $90 million. Under the current Expendable Fund Policy (effective in 2016), all sinking funds and a small portion of expendable funds are now invested in this portfolio.

**General Endowment Fund ("GEF") Spending**
The GEF currently comprises 56% of the Endowment Fund Portfolio. Spending from the GEF is limited to the annual spending allocation rate, currently 3.5%. Over 80% of GEF annual spending supports student aid. Actual spending is usually less than the maximum allowed and has resulted in an accumulated balance available for spending of $15.1 million at the end of fiscal 2019. The chart to the right shows GEF spending by semester.
The Revenue and Expense Summary for the University of Guelph-Humber, as at September 30, 2019 show Revenues to date of $24,528,180 against Forecast of $64,727,000 and Expenses to date of $20,431,642 against Forecast of $50,456,000.

All indications at this point, end of 2nd quarter, are that we are on target to meet approved budget.

Enrolment, as of November 1, 2019 is 4,963 (headcount) against a target of 4,974. Current enrolment consists of 4,122 full-time and 841 part-time students.

John Walsh
Vice-provost
UNIVERSITY OF GUELPH - HUMBER

FINANCIAL STATEMENTS

September 30, 2019

Distribution List:
Zack Baker  Hanh Do  Don O’Leary
Gabrielle Bernardi-Dengo  Sanjay Gandhi  Sanjay Puri
Rani Dhaliwal  Lori Kimball  John Walsh
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For the month ended September 30, 2019

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<thead>
<tr>
<th>Section</th>
<th>Page</th>
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</thead>
<tbody>
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<td>Revenue and Expense Summary - Management Report</td>
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</tr>
<tr>
<td>Statement of Financial Position</td>
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<tr>
<td>Statement of Operations</td>
<td>5</td>
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<td>Statement of Operations - By Segment</td>
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<tr>
<td>Statement of Changes in Net Assets</td>
<td>7</td>
</tr>
<tr>
<td>Statement of Cash Flows</td>
<td>8</td>
</tr>
</tbody>
</table>
### Revenue and Expense Summary - Management Report

**For The Fiscal Year 2019-20**

**As of September 30, 2019**

#### REVENUES

<table>
<thead>
<tr>
<th></th>
<th>ACTUAL 2018-19</th>
<th>BUDGET 2019-20</th>
<th>ACTUAL 2019-20</th>
<th>FORECAST 2019-20</th>
<th>VARIANCE</th>
<th>% of VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Grants</td>
<td>33,981,164</td>
<td>33,998,000</td>
<td>14,158,462</td>
<td>33,998,000</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Municipal Tax Grant</td>
<td>318,225</td>
<td>318,000</td>
<td>131,729</td>
<td>318,000</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Tuition Fees</td>
<td>34,768,644</td>
<td>29,906,000</td>
<td>10,933,609</td>
<td>29,906,000</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Ancillary Fees*</td>
<td>331,825</td>
<td>435,000</td>
<td>123,203</td>
<td>435,000</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Miscellaneous Income</td>
<td>59,931</td>
<td>70,000</td>
<td>21,177</td>
<td>70,000</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>69,459,789</strong></td>
<td><strong>64,727,000</strong></td>
<td><strong>24,528,180</strong></td>
<td><strong>64,727,000</strong></td>
<td>-</td>
<td><strong>0.0%</strong></td>
</tr>
</tbody>
</table>

#### EXPENSES

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic</td>
<td>21,234,185</td>
<td>22,280,000</td>
<td>7,957,430</td>
<td>22,185,000</td>
<td>(95,000)</td>
<td>(0.4%)</td>
</tr>
<tr>
<td>Library services</td>
<td>1,457,497</td>
<td>2,396,000</td>
<td>412,449</td>
<td>2,076,000</td>
<td>(320,000)</td>
<td>(22.0%)</td>
</tr>
<tr>
<td>Information technology</td>
<td>3,093,275</td>
<td>3,858,000</td>
<td>1,641,759</td>
<td>3,858,000</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total Academic services</strong></td>
<td><strong>25,784,957</strong></td>
<td><strong>28,534,000</strong></td>
<td><strong>10,011,638</strong></td>
<td><strong>28,119,000</strong></td>
<td>(415,000)</td>
<td>(1.6%)</td>
</tr>
<tr>
<td>Registrarial Services</td>
<td>1,899,210</td>
<td>2,223,000</td>
<td>903,615</td>
<td>2,223,000</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Recruitment</td>
<td>2,223,981</td>
<td>2,363,000</td>
<td>981,707</td>
<td>2,398,000</td>
<td>35,000</td>
<td>1.6%</td>
</tr>
<tr>
<td><strong>Total Registrarial &amp; Recruitment services</strong></td>
<td><strong>4,123,191</strong></td>
<td><strong>4,586,000</strong></td>
<td><strong>1,885,321</strong></td>
<td><strong>4,621,000</strong></td>
<td>35,000</td>
<td><strong>0.8%</strong></td>
</tr>
<tr>
<td>Student Aid</td>
<td>5,515,013</td>
<td>6,110,000</td>
<td>2,989,620</td>
<td>6,586,000</td>
<td>476,000</td>
<td>8.6%</td>
</tr>
<tr>
<td>Student Life &amp; Services</td>
<td>2,597,954</td>
<td>2,892,000</td>
<td>1,375,898</td>
<td>2,747,000</td>
<td>(145,000)</td>
<td>(5.6%)</td>
</tr>
<tr>
<td><strong>Total Student Aid &amp; Life Services</strong></td>
<td><strong>8,112,967</strong></td>
<td><strong>9,002,000</strong></td>
<td><strong>4,365,518</strong></td>
<td><strong>9,333,000</strong></td>
<td>331,000</td>
<td><strong>4.1%</strong></td>
</tr>
<tr>
<td>Physical resources</td>
<td>1,714,000</td>
<td>1,931,500</td>
<td>874,170</td>
<td>1,931,500</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Administrative support</td>
<td>1,857,633</td>
<td>1,973,500</td>
<td>1,055,948</td>
<td>1,973,500</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Management and Administrative fee</td>
<td>4,000,000</td>
<td>4,000,000</td>
<td>2,000,002</td>
<td>4,000,000</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total Administrative services</strong></td>
<td><strong>7,571,633</strong></td>
<td><strong>7,905,000</strong></td>
<td><strong>3,930,120</strong></td>
<td><strong>7,905,000</strong></td>
<td>-</td>
<td><strong>0.0%</strong></td>
</tr>
<tr>
<td>Amortization of capital assets</td>
<td>452,497</td>
<td>417,000</td>
<td>239,045</td>
<td>478,000</td>
<td>61,000</td>
<td>13.5%</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>46,045,245</strong></td>
<td><strong>50,444,000</strong></td>
<td><strong>20,431,642</strong></td>
<td><strong>50,456,000</strong></td>
<td>(12,000)</td>
<td><strong>0.0%</strong></td>
</tr>
</tbody>
</table>

**EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Guelph and University of Guelph-Humber Semester Reports</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Ancillary Fees: ID card, Transcript, Orientation/Convocation, Library Collection, Alumni and Career Centre.*

**Notes:**

1. An updated revenue forecast is not available at this time
2. Academic savings due to vacant positions
3. Library savings due to vacant positions
4. Recruitment overage due to International promotional expenses
5. Student Aid overage due to a combination of increased enrolment and higher than planned renewable and entrance scholarships
6. Student Life savings due to across the board reduction in expenses
### Statement of Financial Position

#### September 30, 2019  March 31, 2019

#### ASSETS

<table>
<thead>
<tr>
<th>Category</th>
<th>September 30, 2019</th>
<th>March 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due from The Humber College Institute of Technology and Advanced Learning</td>
<td>$3,346,647</td>
<td>$31,127,521</td>
</tr>
<tr>
<td>Grants receivable</td>
<td>-</td>
<td>2,841,711</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>51,788</td>
<td>2,158,738</td>
</tr>
<tr>
<td>Due from University of Guelph</td>
<td>21,989,282</td>
<td>-</td>
</tr>
<tr>
<td>Total current assets</td>
<td>25,387,717</td>
<td>36,127,970</td>
</tr>
<tr>
<td>CAPITAL ASSETS</td>
<td>1,814,028</td>
<td>2,039,757</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$27,201,745</strong></td>
<td><strong>$38,167,727</strong></td>
</tr>
</tbody>
</table>

#### LIABILITIES

<table>
<thead>
<tr>
<th>Category</th>
<th>September 30, 2019</th>
<th>March 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$3,677,283</td>
<td>$1,434,570</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>11,717,944</td>
<td>4,055,709</td>
</tr>
<tr>
<td>Due to University of Guelph</td>
<td>3,870,223</td>
<td>5,196,250</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>19,265,449</strong></td>
<td><strong>10,686,529</strong></td>
</tr>
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</table>

#### NET ASSETS

<table>
<thead>
<tr>
<th>Category</th>
<th>September 30, 2019</th>
<th>March 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>4,322,267</td>
<td>23,641,441</td>
</tr>
<tr>
<td>Internally restricted</td>
<td>1,800,000</td>
<td>1,800,000</td>
</tr>
<tr>
<td>Invested in capital assets</td>
<td>1,814,028</td>
<td>2,039,757</td>
</tr>
<tr>
<td><strong>TOTAL NET ASSETS</strong></td>
<td><strong>7,936,295</strong></td>
<td><strong>27,481,198</strong></td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES AND NET ASSETS**  

<table>
<thead>
<tr>
<th>Category</th>
<th>September 30, 2019</th>
<th>March 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$27,201,745</strong></td>
<td><strong>$38,167,727</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>September 30, 2019</td>
<td>March 31, 2019</td>
</tr>
<tr>
<td>----------------------</td>
<td>--------------------</td>
<td>---------------</td>
</tr>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government grants</td>
<td>$ 14,290,191</td>
<td>$ 34,299,389</td>
</tr>
<tr>
<td>Tuition and other fees</td>
<td>10,216,812</td>
<td>35,100,469</td>
</tr>
<tr>
<td>Other</td>
<td>21,177</td>
<td>59,931</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>24,528,180</td>
<td>69,459,789</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>5,606,520</td>
<td>10,806,599</td>
</tr>
<tr>
<td>Contract services</td>
<td>7,234,294</td>
<td>20,514,869</td>
</tr>
<tr>
<td>Maintenance, utilities and municipal taxes</td>
<td>508,750</td>
<td>381,443</td>
</tr>
<tr>
<td>Advertising and marketing</td>
<td>362,880</td>
<td>799,918</td>
</tr>
<tr>
<td>Supplies, equipment and other expenses</td>
<td>3,441,640</td>
<td>7,414,983</td>
</tr>
<tr>
<td>Information technology, software and licences</td>
<td>47,191</td>
<td>142,844</td>
</tr>
<tr>
<td>Student assistance</td>
<td>2,991,322</td>
<td>5,532,092</td>
</tr>
<tr>
<td>Amortization of capital assets</td>
<td>239,045</td>
<td>452,497</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>20,431,642</td>
<td>46,045,245</td>
</tr>
<tr>
<td><strong>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</strong></td>
<td>$ 4,096,538</td>
<td>$ 23,414,544</td>
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</table>
### UNIVERSITY OF GUELPH-HUMBER
### Statement of Operations - By Segment

#### September 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Academic</th>
<th>Registrial</th>
<th>Library services</th>
<th>Student Life</th>
<th>Administrative</th>
<th>Recruitment</th>
<th>IT</th>
<th>Central</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government grants</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>14,290,191</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$ 14,290,191</td>
</tr>
<tr>
<td>Tuition and other fees</td>
<td>412,500</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9,804,312</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$10,216,812</td>
</tr>
<tr>
<td>Other</td>
<td>2,009</td>
<td>134</td>
<td>44</td>
<td>18,991</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$ 21,177</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>414,509</td>
<td>134</td>
<td>44</td>
<td>24,113,494</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$24,528,180</td>
</tr>
</tbody>
</table>

#### EXPENSES

<p>| | | | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and benefits</td>
<td>1,958,393</td>
<td>760,843</td>
<td>211,687</td>
<td>894,241</td>
<td>512,850</td>
<td>591,115</td>
<td>677,391</td>
<td>-</td>
<td>$ 5,606,520</td>
</tr>
<tr>
<td>Contract Services</td>
<td>5,031,380</td>
<td>6,903</td>
<td>138,560</td>
<td>336,297</td>
<td>941,729</td>
<td>18,273</td>
<td>761,151</td>
<td>-</td>
<td>$ 7,234,294</td>
</tr>
<tr>
<td>Maintenance, utilities and municipal taxes</td>
<td>9,510</td>
<td>-</td>
<td>10,449</td>
<td>-</td>
<td>391,921</td>
<td>-</td>
<td>96,869</td>
<td>-</td>
<td>$ 506,750</td>
</tr>
<tr>
<td>Advertising and Marketing</td>
<td>45,139</td>
<td>4,063</td>
<td>5,545</td>
<td>18,573</td>
<td>-</td>
<td>289,239</td>
<td>322</td>
<td>-</td>
<td>$ 362,880</td>
</tr>
<tr>
<td>Supplies, equipment and other expenses</td>
<td>911,615</td>
<td>131,806</td>
<td>46,208</td>
<td>125,085</td>
<td>2,083,535</td>
<td>82,400</td>
<td>60,990</td>
<td>-</td>
<td>$ 3,441,640</td>
</tr>
<tr>
<td>Information technology, software and licences</td>
<td>1,393</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>84</td>
<td>679</td>
<td>45,035</td>
<td>-</td>
<td>$ 47,191</td>
</tr>
<tr>
<td>Student assistance</td>
<td>-</td>
<td>2,989,620</td>
<td>-</td>
<td>1,702</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$ 2,991,322</td>
</tr>
<tr>
<td>Amortization of capital assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 239,045</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>7,957,430</td>
<td>3,893,235</td>
<td>412,449</td>
<td>1,375,898</td>
<td>3,930,120</td>
<td>981,707</td>
<td>1,641,759</td>
<td>$ 239,045</td>
<td>$20,431,642</td>
</tr>
</tbody>
</table>

**EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR** $ (7,542,922) $ (3,893,235) $ (412,315) $ (1,375,854) $ 20,183,374 $ (981,707) $ (1,641,759) $ (239,045) $ 4,096,538

#### March 31, 2019

<table>
<thead>
<tr>
<th></th>
<th>Academic</th>
<th>Registrial</th>
<th>Library services</th>
<th>Student Life</th>
<th>Administrative</th>
<th>Recruitment</th>
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<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Government grants</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>34,299,389</td>
<td>-</td>
<td>-</td>
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<td>$ 34,299,389</td>
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<td>Tuition and other fees</td>
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<td>-</td>
<td>-</td>
<td>34,800,969</td>
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<td>-</td>
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<td>$ 35,100,469</td>
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<td>Other</td>
<td>13,313</td>
<td>1,714</td>
<td>20,000</td>
<td>24,679</td>
<td>226</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$ 59,931</td>
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<td><strong>TOTAL REVENUE</strong></td>
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<td>1,714</td>
<td>20,000</td>
<td>69,125,037</td>
<td>226</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$69,459,789</td>
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</table>

#### EXPENSES

<p>| | | | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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<th></th>
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</thead>
<tbody>
<tr>
<td>Salaries and benefits</td>
<td>3,696,174</td>
<td>1,432,586</td>
<td>585,940</td>
<td>1,573,411</td>
<td>976,949</td>
<td>1,256,563</td>
<td>1,284,977</td>
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<td>$10,806,590</td>
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<td>Contract Services</td>
<td>16,065,195</td>
<td>19,700</td>
<td>262,876</td>
<td>755,398</td>
<td>1,847,527</td>
<td>68,385</td>
<td>1,495,788</td>
<td>-</td>
<td>$20,514,869</td>
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<tr>
<td>Maintenance, utilities and municipal taxes</td>
<td>3,189</td>
<td>-</td>
<td>2,386</td>
<td>-</td>
<td>373,238</td>
<td>-</td>
<td>2,631</td>
<td>-</td>
<td>$ 381,443</td>
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<td>Advertising and marketing</td>
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<td>10,448</td>
<td>15,061</td>
<td>68,351</td>
<td>11,077</td>
<td>603,543</td>
<td>576</td>
<td>-</td>
<td>$ 799,918</td>
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<tr>
<td>Supplies, equipment and other expenses</td>
<td>1,369,536</td>
<td>422,110</td>
<td>578,658</td>
<td>185,396</td>
<td>4,360,450</td>
<td>292,969</td>
<td>205,864</td>
<td>-</td>
<td>$ 7,414,983</td>
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<td>Information technology, software and licences</td>
<td>7,229</td>
<td>14,367</td>
<td>12,577</td>
<td>319</td>
<td>2,293</td>
<td>2,520</td>
<td>103,439</td>
<td>-</td>
<td>$ 142,844</td>
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<td>Student assistance</td>
<td>2,000</td>
<td>5,515,013</td>
<td>15,079</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$ 5,532,092</td>
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<tr>
<td>Amortization of capital assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 452,497</td>
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<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>21,234,185</td>
<td>7,414,223</td>
<td>1,457,497</td>
<td>2,597,954</td>
<td>7,571,633</td>
<td>2,223,981</td>
<td>3,093,275</td>
<td>$ 452,497</td>
<td>$46,045,245</td>
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**EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR** $ (20,921,372) $ (7,414,223) $ (1,455,783) $ (2,577,954) $ 61,553,404 $ (2,223,755) $ (3,093,275) $ (452,497) $ 23,414,544
## Statement 3

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2019</th>
<th></th>
<th></th>
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<tbody>
<tr>
<td></td>
<td>Unrestricted</td>
<td>Internally</td>
<td>Invested in</td>
<td>Total</td>
</tr>
<tr>
<td>Balance, beginning of year</td>
<td>$23,641,441</td>
<td>$1,800,000</td>
<td>$2,039,757</td>
<td>$27,481,198</td>
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<tr>
<td>Excess of revenue over expenses for the year</td>
<td>4,096,538</td>
<td>-</td>
<td>-</td>
<td>4,096,538</td>
</tr>
<tr>
<td>Distribution of unrestricted assets to venturers</td>
<td>(23,641,441)</td>
<td>-</td>
<td>-</td>
<td>(23,641,441)</td>
</tr>
<tr>
<td>Net change in invested in capital assets</td>
<td>225,729</td>
<td>-</td>
<td>(225,729)</td>
<td>-</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>$4,322,267</td>
<td>$1,800,000</td>
<td>$1,814,028</td>
<td>$7,936,295</td>
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<table>
<thead>
<tr>
<th></th>
<th>March 31, 2019</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unrestricted</td>
<td>Internally</td>
<td>Invested in</td>
<td>Total</td>
</tr>
<tr>
<td>Balance, beginning of year</td>
<td>$23,069,859</td>
<td>$1,800,000</td>
<td>$2,266,654</td>
<td>$27,136,513</td>
</tr>
<tr>
<td>Excess of revenue over expenses for the year</td>
<td>23,414,544</td>
<td>-</td>
<td>-</td>
<td>23,414,544</td>
</tr>
<tr>
<td>Distribution of unrestricted assets to venturers</td>
<td>(23,069,859)</td>
<td>-</td>
<td>-</td>
<td>(23,069,859)</td>
</tr>
<tr>
<td>Net change in invested in capital assets</td>
<td>226,897</td>
<td>-</td>
<td>(226,897)</td>
<td>-</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>$23,641,441</td>
<td>$1,800,000</td>
<td>$2,039,757</td>
<td>$27,481,198</td>
</tr>
</tbody>
</table>
### UNIVERSITY OF GUELPH-HUMBER

**Statement 4**

**Statement of Cash Flows**

<table>
<thead>
<tr>
<th>Activity</th>
<th>September 30, 2019</th>
<th>March 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET INFLOW (OUTFLOW) OF CASH RELATED</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TO THE FOLLOWING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OPERATING</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess of revenue over expenses for the year</td>
<td>$ 4,096,538</td>
<td>$ 23,414,544</td>
</tr>
<tr>
<td>Non-cash items:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of capital assets</td>
<td>239,045</td>
<td>452,497</td>
</tr>
<tr>
<td>Net change in non-cash working capital items</td>
<td>4,335,584</td>
<td>23,867,041</td>
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<tr>
<td>Cash provided by operating activities</td>
<td>23,654,757</td>
<td>23,295,459</td>
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<tr>
<td><strong>INVESTING</strong></td>
<td></td>
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</tr>
<tr>
<td>Purchase of capital assets</td>
<td>(13,316)</td>
<td>(225,600)</td>
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<tr>
<td>Cash used in investing activities</td>
<td>(13,316)</td>
<td>(225,600)</td>
</tr>
<tr>
<td><strong>FINANCING</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution of unrestricted assets to venturers</td>
<td>(23,641,441)</td>
<td>(23,069,859)</td>
</tr>
<tr>
<td>Cash used in financing activities</td>
<td>(23,641,441)</td>
<td>(23,069,859)</td>
</tr>
<tr>
<td><strong>Net change in cash during the year and cash, end of year</strong></td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>
To: Members of the Board of Governors
From: Gen Gauthier-Chalifour, University Secretary
Subject: 6. Governance & Human Resources Committee Report - CONSENT
Meeting: Wednesday, January 22, 2020

**c) Health, Safety & Wellness Report**

**Motion for Consideration**

*Not Applicable – For Information*

**Background**

At its meeting on December 18, 2019 the Governance & Human Resources Committee received an inaugural Human Resources Health, Safety & Wellness Report for the 2019 year-to-date.

In response to a request from the Committee, the Report provides a comprehensive overview of environmental health and safety, workplace audits and assessments, research safety, and occupational health and wellness.

The Health, Safety & Wellness Report is enclosed for the review and information of the Board. The report will be updated with calendar year-end statistics when available.
Year To Date 2019
January 1, 2019 - September 30, 2019
Human Resources
Health, Safety & Wellness Report
to the Board of Governors
Welcome

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Introduction 5
Environmental Health and Safety Accomplishments 6
Workplace Audits, Inspections and Assessments 8
Research Safety Programs 10
Occupational Health and Wellness 18
The Team 28
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Global Offices and Interaction 18
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Contact and Order 22

Health, Safety & Wellness Report

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Human Resources

Human Resources supports the University’s commitment to excellence in teaching, research and community service through the provision of quality HR programs and resources. Working in collaboration with the University of Guelph community, we dedicate time, energy, creativity and resources to ensure the University as a workplace is safe, healthy and sustains the need for learning and challenge.
As part of Human Resources, Health, Safety & Wellness (HSW) is comprised of two units: Environmental Health & Safety (EHS) and Occupational Health & Wellness (OHW).

The two units oversee and administer programs in biosafety, radiation safety, laboratory safety, agricultural & veterinary safety, occupational hygiene, facility safety, occupational and non-occupational disability, medical surveillance, ergonomics, and accommodation and return to work.

Health Safety & Wellness has responsibilities related to all employees (faculty and staff) at the Guelph Campus, the Ridgetown Campus and fifteen (15) research stations. The University is unique amongst its provincial peer group in that it not only supports the University as a whole but also supports a hospital (the Ontario Veterinary College, OVC). HSW also supports UoG students,

• in academic programs by providing Health & Safety Training (Biosafety, WHIMS, Lab Safety, Radiation Safety) and respirator fit testing as required for graduate students (e.g. OVC students, psychology research students using anesthetic gases for rat surgery);
• by assessing health and safety risk and providing guidance to imbed safety into student run events (e.g. Orientation Week, Let’s Talk Science, etc.);
• by delivering safety presentations to students in 4 courses annually including the BBPM Equine Event Management course, the Landscape Construction class in the Turfgrass Management short course, and research safety at Arkell Research Station for students in the Animal Bioscience Experiments in Animal Biology course;
• through a comprehensive occupational health surveillance program and graduate students working with biohazards, Class 3B/4 lasers and radiiodine or whose research involves diving operations.

Highlights

• Facilitated a Source Water Protection Risk Management Plan with the City of Guelph;
• Underwent an external review of the Occupational Health & Wellness processes and standardized on best practices and approaches;
• Collaborated with the Council of Ontario Universities to advocate for changes to the WHIMS 2015 regulations resulting in millions of dollars saved for the University;
• Continued to offer dozens of training courses, conducted numerous inspections, audits and assessments;
• Continued to work with our Community partners to assess and incorporate smart risk taking in all of their activities.
Environmental Health & Safety Accomplishments

Training

**Total Number of Participants (online and in-class)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1988</td>
</tr>
<tr>
<td>2016</td>
<td>5197</td>
</tr>
<tr>
<td>2017</td>
<td>5643</td>
</tr>
<tr>
<td>2018</td>
<td>8094</td>
</tr>
<tr>
<td>2019 YTD</td>
<td>7706</td>
</tr>
</tbody>
</table>

Of the total number of participants trained 78% (6064) were trained on-line and 22% (1,722) were trained in-class.

**E-Learning Courses (2019 YTD)**

- Total: 1,878
- Health & Safety Awareness: 393
- Research Safety*: 273
- Occupational Hygiene: 127
- Facility Safety: 35

*Includes training courses in radiation safety, laboratory safety, WHS and Transportation & Emergency Gifts

The largest group of participants is in the e-learning courses, namely Health & Safety Awareness, Laboratory Safety, Biosafety, and WHMS.

---

40+ Courses offered in specific Health & Safety topics

7500+ Participants trained (on-line + in-class)

230+ Inspection conducted

680+ Audits completed

30+ H&S Risk Assessments completed

430+ Individuals were fit tested for respirator use

8500+ Re-assessments conducted on the Guelph Campus for the condition of asbestos materials
Workplace Audits, Inspections and Assessments

Workplace inspections and audits facilitate a proactive identification of hazards leading to the prevention of workplace accidents and illness and ensuring compliance with regulatory requirements.

Workplace inspections are conducted through various avenues including EHS, Joint Health and Safety Committees (JHSC) and Health & Safety Representatives.

Did You Know:
EHS participates in 36 Joint Health & Safety Committees (JHSC) and liaisons with an additional 8 Health and Safety Representatives at various Research Stations.

- 1-Central JHSC and 32 local (departmental) JHSC on Guelph Campus;
- 3-JHSCs at Ridgetown Campus, Simcoe and Arkell Research Stations.

EHS reviews both institutional and student run events with a lens on Health and Safety. This includes, but is not limited to:

- Convocation;
- Take Your Kids to Work Day;
- Ridgetown Campus Harvest Days;
- Orientation Week;
- College Royal.
Research Safety Programs

Biosafety

148 Biosafety permits
154 Biosafety Cabinets certified

The University has over 200 Containment Level 2 (CL2) labs for biological research and learning activities and holds a Pathogen and Toxins License from the Public Health Agency of Canada (PHAC) for work with Risk Group 2 pathogens. Additionally, EHS facilitates the Biosafety Committee made up of subject matter experts including both faculty and staff.

Developed and implemented an Emergency response refresher training that included the development of a standard biological spill response plan, emergency procedure for exposure, and loss or failure of containment including templates to document training completion.

Reviewed and enhanced the containment procedure and the permit renewal process to include submission of pathogen inventories.

Laboratory Safety

50,000 estimated chemical containers relabeled to meet the new WHIMS 2015 requirements

99 lab spaces inspected with a focus on Personal Protective Equipment (PPE) and Eye Wash Stations

Hazardous Waste

87,900 kg and 104,700 L of hazardous waste has been disposed of. (Year to date)

The annual Chemical Amnesty program for hazardous waste disposal resulted in disposal of 1400kg and 4900L of hazardous chemical waste from a total of 90 submissions over a 2-week period.

Radiation Safety

3 Annual Compliance Reports successfully submitted to the CNSC.

The University has 5 licenses issued by the Canadian Nuclear Safety Commission (CNSC) covering general laboratory activities with radionuclides and nuclear substances, veterinary nuclear medicine activities, a research accelerator, a medical linear accelerator used for cancer treatment of animals, and a research project involving instrumentation on Mars.

There are currently 35 radiation safety permits for activities involving nuclear substances and devices and 25 X-ray permits.

246 people are enrolled in the University’s radiation dosimetry program

In July 2019 a CNSC Type II Inspection of the Consolidated, APXS and Veterinary Nuclear Medicine licenses resulted in ZERO non compliances.

Esther the Wonder Pig

The Radiation Safety Officers (RSOs) worked to register a CT scanner, that is one of its kind in Canada, with the Ministry of Labour (MOL). Funds for this scanner (over $600,000) were donated to the OVC by the family of a very well-known social media sensation and patient, Esther the Wonder Pig.

The registration and use of the scanner were very time sensitive as Esther’s health was deteriorating and there was media focus on her care. The MOL approvals were successfully obtained in time for Esther to be appropriately imaged for her treatment.
Workplace
Agricultural & Veterinary Safety Programs

1 - Pesticide Use review was conducted on the use of organophosphate and carbamate pesticides at New Liskeard Research Station.

The initiative for reviewing pesticide use and applications is continuing with both research and non-research personnel at 5 other research stations.

The University has a comprehensive Agricultural and Veterinary safety program that addresses health, safety and environmental due diligence for agricultural workers and researchers and for those working with animals (including animal handling and exposures to zoonoses). In addition to the annual training that is provided the focus this year has been on Pesticide Safety.

Workplace
Occupational Hygiene & Facility Safety Programs

One objective this year was the review and updating of the Asbestos Management Program (AMP). This resulted in:
- The AMP was reviewed and updated;
- Migration to a new Inventory system and users trained on new platform;
- As part of the review a plan was put in place to mitigate risk while continuing to maintain due diligence and best practice;
- Asbestos worker training was completed (43 participants).

Slip, Trip or Fall Prevention Campaign
To increase awareness and prevention of slips and falls during this winter season, a broader communication campaign is being presented in partnership with Physical Resources. It consists of:
- digital content for the various screens across the Guelph campus;
- updated information on the EHS website;
- information on social media;
- development of a poster for distribution to JHSCs and Health & Safety Representatives;
- more frequent targeted communications during the winter season to all University locations.

144 Working at Heights Equipment inspections
7 Project Reviews for new buildings and/or renovations
5 Chemical Exposure assessments
3 Noise Surveys

12 Pesticide Storage Rooms audited

8500+ re-assessments completed on the Guelph Campus for the condition of asbestos materials

516 Fume Hood verifications
The EHS team liaises with various regulatory bodies including the Ministry of Labour (MOL), Public Health Agency of Canada (PHAC) and the Canadian Nuclear Safety Commission (CNSC) etc. This year EHS reported four critical injuries to the MOL, none of which resulted in any compliance orders being issued. Critical injuries are defined under the Occupational Health and Safety Act (OHSA) and include serious injuries like fractures, loss of consciousness etc. They are reported to the MOL for occurring to any person (employee, student, visitor, contractor) if there is a connection between the hazard that gave rise to the injury and the worker health and safety.

Of the 4 injuries reported 2019YTD all injured parties were employees and all injuries resulted in fractures. Three (3) were Slip Trip or Fall injuries, two (2) of which occurred indoors due to housekeeping and one (1) that occurred outdoors due to slipping on ice and snow. The fourth injury was a Struck by Object injury at Elora Dairy, while using the standing straw chopper, the worker put their foot out and got stuck between the pen gate and the machine.

A review of the overall program was undertaken with a focus on increased awareness and better response, this included:
- Evaluating the location of spill kits for strategic placement;
- Adding 6 new spill kits across Guelph Campus;
- Increasing the bulk supply availability of spill containment materials on Guelph Campus;
- Providing first responders with written guidance on response and mitigation;
- Retraining those involved in response;
- Working with Physical Resources to review sewer drawings and making them readily available to EHS and the City of Guelph.

All three spills entered the storm sewer system and as required were reported to the Ministry of the Environment, Conservation and Parks (MECP) and the City of Guelph.

The occurrences were:
1. A single vehicle accident with the driver hitting a lamppost in parking lot P13 which resulted in a spill of approximately 4L of transmission fluid.
2. A car fire in parking lot P30 and subsequent clean-up of firefighting foam. The fire was extinguished by City of Guelph Fire.
3. A can of latex paint dropped out of the back of a subcontractor’s car onto the pavement. The subcontractor attempted to wash away the paint with water which resulted in a spill of approximately 3L of latex paint.

In all three cases, the recovery of clean-up costs were pursued through the insurance of the responsible parties.

The Health Safety & Wellness team is involved in 47 institutional committees including,
- Accessibility Committee
- Animal Care Committee
- Biosafety Committee
- Children’s Activities & Programs Committee
- Joint Health & Safety Committees
- Radiation Safety Committee
- Wellness@Work Committees

Ministry of Labour Activity
The EHS team liaises with various regulatory bodies including the Ministry of Labour (MOL), Public Health Agency of Canada (PHAC) and the Canadian Nuclear Safety Commission (CNSC) etc. This year EHS reported four critical injuries to the MOL, none of which resulted in any compliance orders being issued. Critical injuries are defined under the Occupational Health and Safety Act (OHSA) and include serious injuries like fractures, loss of consciousness etc. They are reported to the MOL for occurring to any person (employee, student, visitor, contractor) if there is a connection between the hazard that gave rise to the injury and the worker health and safety.

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As a member of the Ontario Council of Environmental Health and Safety Officers for Universities (CEHSO) worked with the Council of Ontario Universities (COU) to advocate the provincial government for an amendment to the WHIMS 2015 regulations. As originally published the regulations called for the disposal of containers with non-compliant labels and re-purchase of chemistry which was a large cost burden to the sector.

Workplace Environmental Health and Safety Collaborations

1 - Source Water Protection Risk Management Plan. Facilitated agreement with the City of Guelph.

$7.9M mitigated cost to the University.
Lost Time Injuries are injuries that result in a disability due to an occupational incident where the employee is unable to return to work on their next scheduled day.

In 2019 YTD there were (17) WSIB approved LT claims. Most of these claims fell into two categories, a combined 35% were slip/trip/fall injuries that occurred either outdoors (29%) or indoors (6%) and 29% which were struck by injuries. All the outdoor slip/trip/fall injuries occurred in the Q1 2019 (January – March) and can be attributed to snow/icy conditions. The indoor slip/trip/fall also occurred in March but is attributed to housekeeping. In total 2019 YTD there were 143.5 lost time days incurred by the University. Of the 143.5 days lost, three claims accounted for 58% of the total. One claim (39 days lost) was a slip on ice that led to a concussion. The second claim (25 days lost) was due to a burn incurred by a Hospitality worker when they inadvertently spilled boiling water from a kettle on their foot and the third claim (19 days lost) is the critical injury that resulted in a fractured ankle at Elora Dairy as previously noted.

Workplace Safety and Insurance Board (WSIB) Costs

<table>
<thead>
<tr>
<th>Year</th>
<th>Premiums</th>
<th>WSIB NEER Cost</th>
<th>NEER Rebate</th>
<th>Premiums</th>
<th>WSIB NEER Cost</th>
<th>NEER Rebate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$1,681,399</td>
<td>$1,337,199</td>
<td>$58,119</td>
<td>$1,681,399</td>
<td>$1,337,199</td>
<td>$58,119</td>
</tr>
<tr>
<td>2018</td>
<td>$414,706</td>
<td>$473,244.9</td>
<td>$5,022,870</td>
<td>$414,706</td>
<td>$473,244.9</td>
<td>$5,022,870</td>
</tr>
<tr>
<td>2019</td>
<td>$440,772</td>
<td>$522,870</td>
<td></td>
<td>$440,772</td>
<td>$522,870</td>
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</tbody>
</table>
Workplace Safety and Insurance Board (WSIB) Costs

NEER Performance Ratings

The WSIB New Experiential Experience Rating (NEER) program provides rebates /surcharges based on the previous 4 years. NEER is an experience rating program that factors in total benefits paid, future projected costs and an administrative cost. The Performance Index (PI) is a comparison between the University’s actual injury cost and the expected costs. A PI greater than 1.0 indicates a surcharge and PI less than 1.0 indicates a rebate. The Lost Time Days are the number of equivalent full working days lost for all approved claims that occurred within the calendar year.

The 2018 surcharge would be reflective of claims from 2014-2017. There were 4 costly claims in 2017 that had the greatest impact on the University’s actuals costs. Coupled with 349 lost time days in 2017 this resulted in the surcharge levied in 2018 (PI=3.84). In comparison there were no claims with similar impact in 2018 and 176 lost time days, resulting in the University receiving a rebate this year of $440,772.00.

WSIB Health Care Claims

Health Care (HC) injuries are those injuries for which the injured party seeks professional medical attention but that do not result in any time lost from work.

In 2019YTD there were fifty-five (55) health care claims approved by WSIB. Of these 22% (12 injuries) were animal bites/stings that occurred predominantly at the Ontario Veterinary College and another 22% (12 injuries) were Cuts, half of which occurred in Hospitality.
The University offers comprehensive medical surveillance programs for employees and graduate students whose work and/or research activities may expose them to an increased risk of an occupational hazard such as chemicals, physical agents (noise, radiation) and biohazards including zoonosis.

Faculty and staff continue to access the resources available for office ergonomic assessments or equipment/chair fittings. Demand for these assessments has increased year over year.
There have been 312 new STD cases submitted 2019YTD. Of these claims, 232 employees were returned to work during the 90-day STD period, 51 of them through a modified work plan (duties and/or hours). Of the total number of new claims submitted 49 transitioned to long-term disability (LTD). On average an employee spent 65 days on STD in 2019YTD in comparison to approximately 50 days in 2017 and 2018.

Short-Term Disability (STD)

OHW adjudicates and manages all STD claims. STD cases are those claims for illnesses or injuries that are not workplace related and could last for a period of up to 90 days. If a claim is longer than 90 days it, transitions into a long-term disability claim (LTD), if approved by the insurance carrier.

<table>
<thead>
<tr>
<th>STD Indicator</th>
<th>2017</th>
<th>2018</th>
<th>2019YTD</th>
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<tr>
<td>Number New Claims submitted</td>
<td>388</td>
<td>395</td>
<td>312</td>
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<tr>
<td>Total Number Employees RTW during STD period</td>
<td>291</td>
<td>350</td>
<td>232</td>
</tr>
<tr>
<td>Total Number of Employees RTW modified</td>
<td>100</td>
<td>74</td>
<td>51</td>
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<tr>
<td>Total Number of claims submitted from STD to LTD</td>
<td>43</td>
<td>43</td>
<td>49</td>
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<tr>
<td>Average Number of Days on STD</td>
<td>49.62</td>
<td>50.65</td>
<td>65.00</td>
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OHW Non Occupational Disability Indicators

Non Occupational Disability Indicators

Sunlife Financial manages LTD claims externally for the University. Of the 34 approved LTD claims, Psychological continues to be the largest category accounting for 39.6% (13) of the approved claims 2019YTD. “Psychological” includes diagnoses of mental health, substance abuse, obsessive-compulsive behaviors etc.

There have been 49 claims submitted to Sun Life for LTD benefits, of those 31 were approved, 18 were initially declined and of these 3 were approved upon appeal.

In 2019YTD there have been 49 claims submitted to Sun Life for LTD benefits, of those 31 were approved, 18 were initially declined and of these 3 were approved upon appeal.
The University is committed to the implementation of early intervention for those employees who experience occupational and non-occupational illness or disability while in the workforce. In 2019 YTD there were,

- 86 employees on a permanent accommodated plan;
- 30 employees accommodated having stayed at work;
- 42 employees accommodated due to a claim being filed with WSIB (the claim is either pending a decision, approved by WSIB, denied by WSIB, or abandoned by the employee);
- 51 employees accommodated returning from STD;
- 17 employees accommodated returning from an approved LTD claim.

WSIB Legislative Changes

Changes to WSIB

WSIB Rate Framework Modernization will come into effect as of January 1, 2020. This will see a reduction in the number of rate groups and grouping of institutions based on NAICS codes, new premiums will be based on every employer’s individual risk profile. In terms of cost, the impact to the University will be a cost increase from a current 0.29 cents/$100.00 of payroll in 2019, to 0.37 cents/$100.00 of payroll in 2020.

Amendments to the Occupational Health and Safety Act

1. Introduction of Ontario Regulation 185/19 which amends the Control of Exposure to Biological and Chemical Agents Regulation 833 coming into effect January 1, 2020. The changes in the regulation will result in,
   - Change in definition of short-term exposure limit, which will impact how we monitor and interpret exposure to formaldehyde in Human Anatomy and Animal Anatomy going forward.
   - New provisions related to respiratory protection and measuring provisions, we already meet most provisions, we will need to finalize a written respiratory protection program.
   - General training to respirator users currently provided during fitting would satisfy requirements of regulation, but a more robust dedicated training session that EHS will develop would be considered best practice.
   - Specific reference to CSA Respiratory Protection Standards Fit Testing Method CSA Z94.4-18, we already follow this method.

2. Revision of the WHMIS regulation - Following reform of the Workplace Hazardous Materials Information System (WHMIS) ending in December 2018, there was a regulatory mandate to have all chemical containers labelled with new WHMIS 2015 labels to replace WHMIS 1988 labels. As originally published, this would have required disposal of containers with non-compliant labels and re-purchase at great expense to the University sector. After advocating efforts with the Council of Ontario Universities in January 2019, the Ontario WHMIS regulations were amended to allow for workplace labels to be added to existing containers bearing the WHMIS 1988 label.
   - A standardized format for labels was developed that meets the intent of the regulation and is being used by all the universities.
   - Relabeling efforts for 50,000 chemical containers across the campus are currently in progress with a deadline of Nov. 1, 2019 to be completed.
   - The Laboratory Safety Officer will audit the labelling (spot checks) starting Nov. 1, 2019.
Team

Health Safety & Wellness Team

Our team consists of highly qualified and dedicated individuals who bring a wide range of knowledge and experience to the University of Guelph community.

Georgia Apolonatos M.A.Sc., P.Eng., DOHS
Director Health Safety & Wellness (Human Resources)

EHS Team:

Jennifer Wesley M.Sc., CRM
Manager of Research Risk

Daniel Cardenas M.Sc.
Radiation Safety Officer

Gauseya Khan M.Sc., RBP
Biosafety Officer

Karanvir Virdi M.A.Sc.
Radiation Safety Officer

Alicja Zachertowska PhD., PMP
Laboratory Safety Office

Christi Cooper RVT, CRSP, CHSC, MA
Manager of Agricultural & Veterinary Safety

Jeff Dafoe
Facilities Safety Specialist

Bryan Lee CIH (R.Pinto CHI, on leave)
Occupational Hygienist

Jackee Colquhoun
Administrative Assistant EHS

OHW Team:

Michael Dunstan B.A., CDMP
Manager of Occupational Health & Wellness

Heather Sewell O.T. Reg (Ont.)
Rehabilitation Specialist

Leigh Anne Mosiondz RN
Health and Disability Specialist

Nicole Reuss RN, COHN(C)
Occupational Health Nurse

Kelly McEwen CRSP
OHW Associate
To: Members of the Board of Governors  
From: Gen Gauthier-Chalifour, University Secretary  
Subject: 6. Governance & Human Resources Committee Report - CONSENT  
Meeting: Wednesday, January 22, 2020  

**d) Board of Governors Meeting Dates 2020 - 2023**

**Motion for Consideration**

_Not Applicable – For Information_

**Background**

Board of Governors meeting dates for the three-year period of January 2020 – June 2023 are enclosed for the information of Governors.

Board meeting dates are presented annually on a three-year rolling cycle, in order to regularize the Board schedule and aid in governor planning and recruitment. No changes were made to the dates provided to the Board in January 2019 (i.e. up to June 2022).

The three-year cycle is based on the following principles:

- Board meetings are normally held on the second-last Wednesday in October, January, April and June.
- The schedule is prepared and reviewed annually and on a rolling basis.
- Adjustments are made as required to accommodate holy days, in consultation with the holy days schedule published by the Office of Diversity and Human Rights.
- Adjustments normally fall to the Tuesday prior to the regularly anticipated meeting date.
- Meeting dates are published on the University Secretariat website, following presentation to the Board of Governors.

*Governors whose terms continue through to 2020-2021 and beyond are asked to please mark their calendars accordingly, and advise the University Secretariat of any conflicts.*
Meeting Dates 2020 - 2023

Notes:
- Dates for regular Board meetings normally fall on the second-last Wednesday of October, January, April and June
- Dates for committee chairs meeting normally fall during the week after classes begin in September and January
- Pre-meeting education/presentation sessions take place prior to each meeting – propose January topic remains Health and Wellness, and June topic remains check-in/recap on strategic framework
- Fall convocation normally held the third Saturday in October
- Summer convocation normally held the week of second Monday in June

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<tr>
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<td>Cycle 2</td>
<td>Wednesday, January 22, 2020</td>
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<tr>
<td>Cycle 3</td>
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<td>Tuesday, June 16, 2020</td>
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<td>Fall Education/Orientation Session and Board Meeting</td>
<td>Wednesday, October 21, 2020</td>
</tr>
<tr>
<td>Cycle 2</td>
<td>Wednesday, January 20, 2021</td>
<td></td>
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<td>Cycle 3</td>
<td>Wednesday, April 21, 2021</td>
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<td>Cycle 4</td>
<td>Wednesday, June 23, 2021</td>
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<td>Wednesday, October 20, 2021</td>
</tr>
<tr>
<td>Cycle 2</td>
<td>Wednesday, January 26, 2022</td>
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</tr>
<tr>
<td>Cycle 3</td>
<td>Wednesday, April 20, 2022</td>
<td></td>
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<tr>
<td>Cycle 4</td>
<td>Wednesday, June 22, 2022</td>
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<th>2022-23</th>
<th>Board Meeting</th>
<th>Date</th>
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</thead>
<tbody>
<tr>
<td>Cycle 1</td>
<td>Fall Education/Orientation Session and Board Meeting</td>
<td>Wednesday, October 19, 2022</td>
</tr>
<tr>
<td>Cycle 2</td>
<td>Wednesday, January 18, 2023</td>
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<tr>
<td>Cycle 3</td>
<td>Wednesday, April 19, 2023</td>
<td></td>
</tr>
<tr>
<td>Cycle 4</td>
<td>Wednesday, June 21, 2023</td>
<td></td>
</tr>
</tbody>
</table>
To: Members of the Board of Governors
From: Gen Gauthier-Chalifour, University Secretary
Subject: 7. Pensions Committee - CONSENT
Meeting: Wednesday, January 22, 2020

c) Update to Statement of Investment Policies and Procedures [Motion]

Motion for Consideration

The following motion is presented on the recommendation of the Pensions Committee

The Board of Governors is asked to,
RESOLVE, that the Board of Governors accept and approve the Statement of Investment Policies and Procedures for each of the Professional Pension Plan, Retirement Pension Plan and Non-Professional Pension Plan.

Background and Committee Consideration

The Pensions Committee recommends the current update to respond to the evolving regulatory environment.

Additional Background

The Regulations\(^1\) to the Ontario Pension Benefits Act have been amended to require certain updates to the Statement of Investment Policies and Procedures (SIPP) for the University’s pension plans, reflecting the regulatory changes with respect to the Provision for Adverse Deviation (“PFAD”). The Financial Services Regulatory Authority of Ontario (FSRA) requires that SIPPs be updated in advance of the University’s regularly scheduled review of the SIPP in spring 2020.

The amendments involve the addition of a table calculating the PFAD. The table maps the SIPP’s existing asset allocation section to the investment categories set out in section 76 of the Regulations and sets out PFAD treatment for the purpose of determining PFAD and complying with the Ontario regulations. As indicated in the SIPP appendix, this mapping does not further limit what is otherwise set out in the policy, including permitted ranges found in the asset allocation section. The mapping is solely for calculating the PFAD. In addition, changes related to minimum credit ratings applicable to fixed income investments, for the purposes of the PFAD calculations, are also required under the regulation, and are described in Table A of Appendix A.

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\(^1\) [https://www.ontario.ca/laws/regulation/900909#BK63](https://www.ontario.ca/laws/regulation/900909#BK63)
The SIPP has been updated, mainly through the addition of Appendix A after consultation with Willis Towers Watson, the plans’ actuaries. Updates can be seen in the enclosed track-change version of the document. In addition to inclusion of appendix A, and a reference to the appendix in the main body of the document, information has also been updated in section 1.5 to reflect the most recent valuation.
UNIVERSITY OF GUELPH

Pension Plans

*Statement of Investment Policies and Procedures*

It is hereby certified by the undersigned that this Statement of Investment Policies and Procedures was adopted by the Board of Governors on:

Apr. 20, 2018 XXX 2019
Contents

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1. BACKGROUND AND PURPOSE

1.1 This document constitutes the Statement of Investment Policies and Procedures (the “Policy”) which outlines the investment policies and procedures applicable to the assets (the “Fund”) in respect of Pension Plan for Professional Staff (the “Plan”) sponsored by the University of Guelph (the “University”).

1.2 The purpose of this Policy is to formulate those investment principles, guidelines and monitoring procedures which are appropriate to the needs and objectives of the Fund, in a manner conforming to the applicable pension legislation as contained in the Ontario Pension Benefits Act and the regulations hereto (the “Act”). This Policy is supplementary to the rules contained in the Act.

1.3 The assets of the Plan are invested in common trusts with Retirement Plan and Pension Plan for Non-Professional Staff and the three Plans may hold assets directly.

1.4 The Plan is registered with the Financial Services Commission (Registration # 0324616) of Ontario and with the Canada Revenue Agency (Tax ID T12605603).

1.5 As of October 1, 2016, the date of the last completed valuation, the subject plan is 91.07% funded on a going-concern basis and 68.4% funded on a statutory solvency basis. Approximately 49.56% of the going-concern liabilities are in respect of active members.

1.6 The main features of the Plan are briefly described below:

(a) The pension is based on a formula utilizing a Member’s final average earnings multiplied by total pensionable service, and includes post-retirement inflationary protection at a level of the Consumer Price Index for Canada (capped at 8.0%) minus 2.0% per annum.

(b) The Plan provides benefits to Members on retirement, death, total and permanent disability, and termination of employment. Benefit payments to pensioners are normally made monthly. Payments of pre-retirement death benefits and benefits on
termination of employment are generally lump sum amounts. Benefit payments are made from the Fund.

(c) Member contributions are required and are deposited to the Fund on a monthly basis.

(d) The University is required to contribute at a level sufficient to finance the defined benefits within the funding requirements of the Act and the limitations of the Income Tax Act (Canada). The amount of these contributions is calculated from time to time, based on the advice of the Actuary retained by the University for such purpose. University contributions, and pension expense for financial statement purposes, are dependent on many aspects of the Plan's actual experience, including the Fund's investment return.

1.7 All investment and other operations of the Fund shall be governed by the Act.

2. GOVERNANCE

2.1 The University through its Board of Governors (the "Board") is the Administrator of the Plan in accordance with the Act.

2.2 The Board has established a governance structure and delegated to the Pensions Committee of the Board (the "Board Committee") certain aspects of the Fund's operations as described in Section 3.

2.3 In fulfilling its responsibilities, the Board Committee may delegate to or otherwise utilize employees of the University ("Staff Members") or committees such as the Investment Subcommittee (the "IS") where appropriate. The Board Committee shall retain responsibility and utilize suitable personnel for such activities and monitor the activities undertaken by the selected personnel.

2.4 The Board Committee may rely on independent experts for certain aspects of the Fund's operations where expert knowledge is required or desired or where a potential or actual conflict of interest exists.
2.5 Staff Members are employees of the University who may be asked to be involved with the management and the administration of the Plan in the course of their work.

2.6 The IS consists of members appointed by the Board of Governors to provide expert advice and oversight in regards to the investment responsibilities for the Fund.

2.7 All investments and assets of the Fund shall be held by the custodian ("Custodial Trustee") who is appointed by the Board Committee. The Custodial Trustee shall be a trust company duly registered in Canada or an insurance company authorized to underwrite life insurance in Canada.

2.8 The Plan Auditor shall be the independent auditors appointed by the Board. The Plan’s financial statements shall be audited by the Plan Auditor at least annually.

3. RESPONSIBILITIES AND PROCEDURES

3.1 As administrator and sponsor of the Plan, the Board has responsibility for all aspects of the Fund’s operations. To fulfill their responsibility in the most prudent and appropriate manner, the Board has delegated to the Board Committee as specified below.

3.2 The Board Committee, as delegated in its capacity as the employer, shall be responsible for:

(a) appointing and/or replacing the actuary;

(b) reviewing and approving the actuary’s report and other reports that might be required of the actuary;

(c) reviewing any recommendations for changes to the funding of the Plan;

(d) reviewing any recommendations for changes to the text of the Plan;

(e) recommending to the Board any changes or amendments to the Plan; and

(f) reporting to the Board on its activities on at least an annual basis.
3.3 The Board Committee, as delegated in its capacity as the administrator, shall be responsible for:

(a) approving the Policy on an annual basis;

(b) approving the auditor’s report on the Fund;

(c) appointing and monitoring the performance of the Custodial Trustee of the Plan;

(d) reviewing and confirming or amending delegated responsibilities on an annual basis;

(e) monitoring the IS;

(f) assuming all or part of the responsibilities of the IS in the event that it becomes dysfunctional for any reason or if it appears that it can no longer fulfill its responsibilities; and

(g) when it deems it necessary or when requested, reporting to the Board on the administration, supervision and control of the Plan and the Fund.

3.4 The duties and responsibilities of the Staff Members are as follows:

(a) overseeing the administration of the Plan, including but not limited to Plan amendments;

(b) overseeing the cash management of the Plan with a view to ensuring that sufficient cash will be available for the payment of the benefits;

(c) advising plan members of any changes to the Plan that may affect the members including retirees;

(d) ensuring that financial statements are prepared and audited on an annual basis;

(e) ensuring that actuarial valuations are prepared within the required frequency and approve the valuations;

(f) ensuring that all regulatory documents are filed on a timely basis;
(g) overseeing the Managers;

(h) monitoring third party service providers;

(i) reporting to the IS on investment performance;

(j) conducting periodic asset/liability studies;

(k) implementing the policy allocation as outlined in Section 6.1;

(l) implementing the rebalancing as described in Section 6.2;

(m) advising the Board Committee of any significant changes to the Plans, the Fund or the IS as they arise; and

(n) working in close collaboration with the IS and implement strategies and recommendations.

(o) In fulfilling their responsibilities, Staff Members may delegate activities relating to the duties listed above to external experts. Notwithstanding this delegation, staff shall remain responsible for, and shall be required to approve work done by others. In this regard, Staff Members are expected to delegate the activities only to suitable delegates, and review the work before approval.

3.5 The duties and responsibilities of the IS are as follows:

(a) reviewing and if necessary recommend changes in the Policy to the Board Committee and monitor the Plan and Fund characteristics that relate to the Policy on an annual basis;

(b) selecting, appointing and replacing when deemed necessary the external experts for the Fund including but not limited to: external investment managers and the independent measurement service;

(c) monitoring the external experts to the Fund in respect of their continuing suitability and performance;
(d) monitoring the investment performance and financial position of the Fund, as described in Section 11; and

(e) reporting to the Board Committee on its activities at least annually.

(f) In fulfilling its responsibilities, the IS may delegate any activities relating to the duties and responsibilities listed above to the Staff Members or to external experts. Notwithstanding this delegation, the IS shall remain responsible for, and shall be required to approve, work done by others. In this regard, the IS is expected to delegate the activities only to suitable delegates, and review the work and the process undertaken to complete the work before approval.

3.6 The duties and responsibilities of external investment managers are as follows:

(a) investing assets of the Fund, through the Custodial Trustee, in accordance with individual mandates pursuant to an agreement between that Manager and the University and in accordance with the requirements of the Policy;

(b) providing a signed quarterly compliance certificate attesting to compliance with the Policy;

(c) in making investments, at all times complying with applicable provincial and federal pension and tax statutes and regulations and other applicable laws and regulations;

(d) meeting with the IS or the Staff Members, to review investment performance and other investment issues relevant to the Fund;

(e) providing written reports on a quarterly basis detailing the investment portfolio and performance; and

(f) adhering to the CFA Institute Code of Ethics and Standards of Professional Conduct.

3.7 The duties and responsibilities of the independent Custodial Trustee are as follows:

(a) serving as trustee and custodian of the Plan;
(b) providing safekeeping for the assets of the Fund;

(c) providing record keeping services for the Fund; and

(d) providing custodial reports for the Fund as required.

3.8 The duties and responsibilities of the External Auditor are as follows:

(a) The external auditor shall be responsible to perform the audit as required under the Ontario Pension Benefits Act.

3.9 The duties and responsibilities of Measurement Service are as follows:

(a) evaluating, preparing and delivering a report on the Fund and Managers’ performance quarterly to the Staff Members; and

(b) advising Staff Members of issues relating to the performance of the Fund and the Managers as they arise.

3.10 The duties and responsibilities of the External Actuary are as follows:

(a) preparing actuarial valuations within the frequency required under the Act and deliver them to the University;

(b) providing assistance or information on an as required basis.

3.11 Others, including but not limited to Independent Advisors, Lawyers, Consultants and other experts in pension-related matters shall provide services on an as required basis.

3.12 Any party providing services in connection with the investment of the Fund shall accept and adhere to this Policy.

4. FUND OBJECTIVES, RETURNS AND RISK EXPECTATIONS

4.1 The primary investment objective of the Plan is to ensure the security of all pensions and
other benefits that have accrued under the Plan by providing adequate funding through an asset pool that is separate from and independent of the University. To accomplish this objective, the Fund shall be invested with the care, diligence and skill that a person of ordinary prudence would exercise in dealing with the property of another person.

4.2 A secondary objective is to generate a return on the Fund that will reduce the long-term cost of providing the pension benefits to the most economical level possible having regard for the risk tolerance of the Administrator of the Plan. The risk tolerance is defined as the volatility of the funded status of the Plan impacting the contributions required to fund the Plan over time. Over the long term, the fund’s objective is to achieve an annualized rate of return ("Return"), after disbursement of investment management fees and transaction costs, at least equal to the going concern discount rate used for the actuarial valuation. It is recognized that, in any one period, the total return may be significantly above or below the going concern discount rate.

4.3 A third objective is to adopt investment strategies that achieve the most appropriate balance between returns and risk objectives considering that, based on historical data, asset classes that are most likely to produce greatest returns over time are also likely to exhibit the most volatility and vice-versa.

5. PERMITTED CATEGORIES OF INVESTMENT AND CONSTRAINTS

5.1 Diversification is an important factor to consider in maintaining an acceptable level of volatility in Return and limiting the impact of a significant loss in one particular security or asset class. Therefore, the Fund may invest in any or all of the asset categories and subcategories of investments defined in this section, subject to the constraints identified below each asset class, either directly or through pooled funds, assuming the pool funds invest in the asset categories and subcategories defined in the rest of Section 5.

5.2 For purposes of this Policy, "governments" includes supranational, Canadian federal, provincial or municipal governments, sovereign issuers and securities guaranteed by these governments.
5.3 **Equities** such as: common shares, convertible debentures, share purchase warrants, share purchase rights, preferred shares, depositary receipts, interests in limited partnerships, and units of real estate investment trusts (REITs) and income trusts that have limited liability protection by statute; but:

(a) North American holdings shall be diversified by company, capitalization and industry, having regard to the relative sizes of industry sectors in the applicable stock market indices.

(b) Non-North American holdings shall be diversified by company, region, industry and country, having regard to the relative sizes of economic activity and stock market capitalization.

(c) Not more than 10% of the market value of the total equity portfolio shall be invested in any one entity.

(d) In respect of any Canadian income trusts and REITs, such trusts:

   (i) Must be reporting issuers under the applicable securities legislation in Canada; and

   (ii) Must be governed by the laws of a province that limits the liabilities of unit holders by statute.

(e) Any interest in a partnership must be as a limited partner and not as a general partner.

5.4 **Real Estate** such as: real property, whether held directly or through open or closed-end pooled funds, participating debentures, shares of corporations or limited partnerships formed for pension funds to invest in real estate; but:

(a) Properties shall be diversified by location, type of use and tenants.

(b) Not more than 20% of the Real Estate portfolio shall be invested in non-income producing property.
(c) Not more than 10% of the Real Estate portfolio may be invested in any one property

5.5 **Infrastructure** such as: tangible assets, whether held directly or through open or closed-end pooled funds, participating debentures, shares of corporations or limited partnerships primarily engaged in or having long term economic interest in tangible assets that provide key services to an economy and that are expected to provide long-term stable cash flows, including but not necessarily limited to: transportation, telecom, communication, utilities, social services, and business related to those sectors; but:

(a) Investments shall be diversified by region and sector.

(b) Investments shall be made to infrastructure funds whose assets are expected to have the following characteristics:

   (i) Provide essential services to the community;

   (ii) Have monopolistic characteristics;

   (iii) Have sustainable and predictable cash flows; and

   (iv) Target investments primarily in assets and businesses with comparatively lower exposure to economic cycles, providing essential services under predictable regulatory regimes and/or through long-term contracts with the public sector, creditworthy entities or a broad base of end-users, allowing for visibility of revenues, operating costs and capital expenditure requirements.

5.6 **Fixed Income and Mortgages** such as: bonds; debentures; mortgages; notes; real return bonds; asset-backed securities or other debt instruments of governments or corporations (public and private) including foreign issuers and foreign pay bonds; guaranteed investment contracts or equivalent financial instruments of Canadian insurance companies, trust companies, banks or other eligible issuers, or funds which invest primarily in such instruments; annuities; deposit administration contracts or other similar instruments regulated by the Insurance Companies Act (Canada) or comparable provincial law, as amended from time to time; term deposits or similar instruments of Canadian trust companies and banks; and hybrid debt instruments issued by financial institutions; but:
(a) Debt rated below “BBB (low)” shall not exceed 30% of the fixed income portfolio.

(b) Mortgages shall in all cases be first mortgages.

(c) Securities of unrated issuers will be assumed to fail all of the credit ratings referred to in this section.

5.7 **Cash or Cash Equivalents** such as: cash, money market securities issued by governments or Canadian corporations (public and private) with term to maturity of one year or less, deposits with Canadian Trust companies or banks; but:

(a) All cash equivalents, including those held within the portfolios for each asset class at the discretion of the Manager, shall have a minimum credit rating of "R-1 (low)" or equivalent.

5.8 **Derivatives** such as: futures; options; forward contracts; structured notes; and swap agreements; but:

(a) Futures and options may be used only when they are regularly traded on recognized public exchanges or other organized public trading facilities where market prices are readily available.

(b) Forward contracts, structured notes and swap agreements may be entered into only with financial institutions that satisfy the credit standards of the Policy with respect to cash equivalents and fixed income investments.

(c) Any use of derivative investments must be in accordance with a program that has been specifically considered and approved by the IS whether done directly in the Fund or in a Pooled Fund. Derivative instruments may not be used to create exposures to securities which would not otherwise be permitted under this Policy or which would be outside the limits under this Policy had the exposure been obtained in the cash markets through direct investment.

(d) Derivative instruments may be used only to:

(i) either replicate the investment performance of permitted direct investments; or
(ii) to reduce risk as part of a hedging strategy

(e) Any Manager investing in derivative investments must determine the market value of that Manager's exposures on a daily basis.

5.9 **Other Investments** such as: venture capital; private equity and natural resource properties or participation rights, whether purchased directly, or through closed or open end pooled funds, or through participating debentures or shares of corporations or limited partnerships formed to invest in such properties subject to the Act; pooled funds eligible for pension fund investment, provided they invest only in the instruments or assets permitted in this Section.

5.10 To the extent the Plan invests the Fund in mutual, pooled or other unitized funds, the Manager shall manage such funds according to the investment policy statements developed by the Manager from time to time for each such fund, as have been communicated to IS.

5.11 Each Manager shall be responsible for choosing brokers to execute investment transactions in the most effective manner and in the best interest of the Fund.

5.12 It is necessary to maintain a regular flow of investment income and to hold an appropriate portion of the Fund in highly liquid investments to ensure adequate liquidity.

5.13 The IS shall ensure that the diversification requirements in each Manager's Mandate, in combination with the amount of assets allocated to each Manager, are consistent with the limits outlined in this document based on the market value of the Fund.
6. ASSET ALLOCATION POLICY

6.1 The policy allocation and ranges for the Fund have been determined as set out below. Over complete market cycles the allocation is expected to approximate the “Target Weight”.

<table>
<thead>
<tr>
<th>Component Asset Classes</th>
<th>Benchmark Index</th>
<th>Percentage of Fund at Market Values (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Target Weight</td>
<td>Permitted Range</td>
</tr>
<tr>
<td></td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Canadian Equities</td>
<td>S&amp;P/TSX Composite</td>
<td>13</td>
</tr>
<tr>
<td>U.S. Equities</td>
<td>S&amp;P 500 ($Cdn)</td>
<td>13</td>
</tr>
<tr>
<td>International Equities</td>
<td>MSCI EAFE Net ($Cdn)</td>
<td>14</td>
</tr>
<tr>
<td>Emerging Market</td>
<td>MSCI Emerging Markets net ($Cdn)</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total Equities</strong></td>
<td>45</td>
<td>40</td>
</tr>
<tr>
<td>Real Estate</td>
<td>IPD Canada Total Return</td>
<td>10</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>DJ Brookfield Global Infrastructure Composite Index</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total Real Estate and Infrastructure</strong></td>
<td>20</td>
<td>15</td>
</tr>
<tr>
<td>Mortgages</td>
<td>FTSE TMX Short Term</td>
<td>5</td>
</tr>
<tr>
<td>Canadian Fixed Income</td>
<td>FTSE TMX Short Term</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>FTSE TMX Long Term</td>
<td>17.5</td>
</tr>
<tr>
<td>Global High Yield Fixed Income(^1)</td>
<td>Barclays Global High Yield Index</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total Mortgages and Fixed Income</strong></td>
<td>32.5</td>
<td>27.5</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>FTSE TMX Canada 91 Day T-Bill</td>
<td>2.5</td>
</tr>
</tbody>
</table>

\(^1\)100% currency hedged

6.2 An interim asset mix with different targets can be used as the policy allocation is being implemented. This interim asset mix can be adjusted from time to time until the policy allocation is reached at which time the policy allocation will be in effect.

6.3 The asset allocation will be monitored quarterly and rebalancing will take place if and when an asset class exceeds its permitted range and will be re-balanced back to the Target Weight.
6.4 The total fund benchmark is based on a blend of the individual underlying asset class indices in their proportions represented in the Target Weight. Where a manager mandate encompasses more than one asset class, such allocation can be reflected in the buildup of the composite benchmark and target weight monitoring.

6.5 Cash and cash equivalents may also be held from time to time on a short-term, temporary basis or as defensive reserves within the portfolios for each asset class at the discretion of each Manager within the constraints prescribed by its Mandate.

6.5.6 Provision for Adverse Deviation (“PfAD”) Compliance is documented in Appendix A.

7. LENDING AND BORROWING OF CASH AND SECURITIES

7.1 Borrowing of Cash and Securities

(a) Money shall not be borrowed on behalf of the Fund and the Fund’s assets shall not be pledged or otherwise encumbered in respect thereof, except:

(i) for the payment of refunds, benefits or administration costs of the Plan to the extent that such borrowing is limited to the amount of the current service contribution in any fiscal year of the Plan and that the term of the borrowing does not exceed 90 days;

(ii) for and to the extent of temporary overdrafts that occur in the course of normal day-to-day portfolio management.

7.2 Lending Securities

(a) Permitted Circumstances: The IS may lend the securities of the Fund as a means of generating incremental income or cash for investment or otherwise supporting an investment strategy. Such loans shall be in writing. When the IS lends securities of the fund, the document shall provide for the IS’s right to recall the loaned securities.

(b) Use of Agents: Management may delegate, through the University’s custodial trustee, to a lending agent the authority to select borrowers, negotiate terms and
rates and invest cash or securities collateral under written procedures which specify securities available for loan, pre-approved borrowers, loan terms, and instruments for the investment of collateral as well as administrative, risk management and reporting arrangements.

(c) Collateral and Margin Requirements: When the IS lends securities of the Fund as a means of generating incremental income or cash for investment, the following rules shall apply. The IS or its lending agent shall receive from the borrower collateral equal to no less than 105% of the market value of the securities loaned at the time of the transaction. The amount of collateral margin taken shall reflect best practices in local markets. Both loaned and collateral securities must be marked to market daily to account for increases in the market value of the securities loaned or decreases in the market value of the collateral. Shortfalls in the amount of collateral must be rectified by the following business day unless otherwise agreed to in writing. The collateral obtained to secure a loan of securities or any securities purchased with such collateral must be either cash or high quality, readily marketable securities acceptable as a direct investment under the IS’s investment policies. Title to all collateral must be clear.

8. VOTING RIGHTS

8.1 The responsibility of exercising and directing voting rights acquired through Fund investments shall normally be delegated to the Manager, who shall at all times act prudently and in the best interests of the Fund's beneficiaries. The Manager shall provide the Staff Members with its proxy voting guidelines and notify the Staff Members of any changes to these guidelines.

8.2 The Manager shall maintain a record of how Fund voting rights have been exercised and provide the Staff Members with quarterly proxy voting results.

8.3 In case of doubt as to the best interests of the Plan’s beneficiaries, the Manager shall request instructions from the Staff Members and act in accordance with such instructions.
8.4 The Staff Members reserve the right to direct, or override, the voting decisions of a Manager, if in its view such action is in the best interests of the Plan’s beneficiaries, except for investments held in a Pooled Fund.

8.5 It is recognized, however, that the above constraints and policy on voting rights may not be enforceable to the extent that part of the Fund is invested in Pooled Funds.

9. VALUATION OF INVESTMENTS

9.1 Investments shall be valued by the Custodial Trustee according to their fair market value.

9.2 Investments not normally traded shall be valued by a qualified expert appointed or approved by IS not less than annually.

9.3 Investments in pooled funds shall be valued according to the unit values published by the Manager.

10. RELATED PARTIES AND CONFLICTS OF INTEREST

10.1 Definition of Related Party

For the purposes of this Policy, a Related Party means:

(a) the University;

(b) the Board;

(c) a member of the Board Committee or IS;

(d) an officer, director or employee of the University;

(e) a person responsible for investing the assets of the Plan, or any officer, director or employee thereof;
(f) an association or union representing employees of the University, or an officer or employee thereof;

(g) a member of one of the Plan;

(h) the spouse or a child of any person referred to in any of paragraphs (b) to (f);

(i) an affiliate of the University;

(j) a corporation that is directly or indirectly controlled by a person referred to in any of paragraphs (a) to (h);

(k) an entity in which a person referred to in paragraph (a), (b) or (c), or the spouse or a child of such a person, has a substantial investment.

10.2 Related Party Transactions

(a) The assets of the Fund shall not be used to invest in securities of Related Parties or lent to any Related Parties unless such securities are publicly traded and selected by a Manager acting independently on behalf of all that Manager’s discretionary accounts or Pooled Funds having mandates similar to that of the Fund. Where applicable, a Manager shall provide the Staff Members with its internal guidelines on purchasing securities of the members of the Manager’s organization or affiliates.

(b) Notwithstanding paragraph (a), the assets of the Fund shall not be invested in any securities of the University or an affiliate of the University unless such securities are publicly traded, held within a Pooled Fund, and selected by a Manager acting independently.

(c) Any other transactions with a Related Party must be required for the operation or administration of the Plan and be on terms and conditions that are not less favourable to the Plan than the then market terms and conditions.
10.3 Conflicts of Interest

(a) If a member of the Board or Board Committee, or any agent of or advisor to the Board or Board Committee, or any person employed in the investment or administration of the Fund has or acquires any material interest, direct or indirect, in any matter in which the Fund is concerned or may benefit materially from knowledge of, participation in, or by virtue of an investment decision or holding of the Fund, the person involved shall within three business days after the individual becomes aware of the conflict of interest disclose in writing this conflict of interest to the Chair of the Board or Board Committee. The disclosure should also be made orally if awareness of the conflict occurs during the discussion of the Plan’s business. The Chair shall then immediately advise all members of the Board or Board Committee, and the Board or Board Committee shall decide upon a course of action. Any such person will thereafter abstain from any decision making with respect to the area of conflict including the exercise of his/her votes, until the issue causing the conflict of interest is resolved independently by the remaining individuals with voting rights.

(b) Every disclosure of interest, with the name of the individual declaring the conflict and how the conflict was resolved, under this Section shall be recorded in the minutes of the relevant Board or Board Committee meeting.

(c) The failure of a person to comply with the procedures, described in this Section, shall not of itself invalidate any decision, contract or other matter.

(d) The Board Committee shall satisfy itself that an appropriate policy regarding conflicts of interest exists and is followed by any Manager appointed by the IS. As a minimum, the Code of Ethics and Standards of Professional Conduct adopted by the CFA Institute shall be expected to apply to such Manager.

11. MONITORING INVESTMENT PERFORMANCE

11.1 The IS, at least annually, shall prepare or cause to be prepared an overall analysis of Fund performance, including:
(a) the Fund objectives as defined in Section 4 in the Policy;

(b) in order to achieve the Return objective, the Fund is targeting to achieve over moving four-year periods a return, net of all brokerage expenses but before all other fees, at least equal to a composite index made of passive investments in appropriate market indices, according to the allocation defined in section 6.1.

(c) the return that could have been achieved by passive investment in index funds in the “Target Weight” allocation;

(d) the value added by any deviation in actual asset mix from the “Target Weight” allocation; and

(e) the value added by any active management of each component, relative to the results of appropriate standards.

11.2 In reviewing the Fund performance, the IS shall consider all relevant factors, including:

(a) the level of investment performance of the Manager’s portfolio relative to return objectives;

(b) the level of investment performance of the Manager’s portfolio relative to other comparable portfolios;

(c) the volatility of the Manager’s portfolio investment returns;

(d) any perceived shifts in the style of the Manager;

(e) any perceived shifts in the investment process of the Manager;

(f) relevant personnel turnover within the Manager's firm;

(g) any perceived organizational issues with regard to the Manager’s firm;

(h) the level of investment management fees; and

(i) the adequacy of Manager client service.
11.3 The IS reserves the right to replace any Manager at any time, if it deems such action to be in the best interests of the Fund.

12. **ENVIRONMENTAL, SOCIAL, AND GOVERNANCE FACTORS**

12.1 The Board Committee recognizes that environmental, social, and governance ("ESG") factors are becoming an important and developing area for consideration in the context of registered pension plan investments. There continues to be great uncertainty around the implications of ESG factors on defined benefit pension plan investment options, both passive and active. At this time, the Board Committee has chosen to monitor the development of ESG factors in this area and will reconsider its approach as and when appropriate to do so.

13. **POLICY REVIEW**

13.1 This Policy shall be reviewed at least annually by the Board Committee and the IS in order to determine whether any modifications are necessary or desirable. Such review shall consider whether there has been:

(a) a fundamental change in the design of the Plan;
(b) significant revisions to the expected long-term trade-off between risk and return on key asset classes;
(c) a major change in the actuarial calculation basis, the membership/liability distribution, or the contribution/expense expectation in respect of the Plan;
(d) a significant shift in the financial risk tolerance of the University;
(e) shortcomings of the Policy that emerge in its practical operation;
(f) significant recommendations by a Manager;
(g) changes in applicable legislation.
13.2 A copy of this Policy and any amendments to it shall be delivered to the actuary for the Plan. A copy of this Policy, or relevant sections thereof, shall also be delivered to each Manager and to the Board, the Board Committee and the IS.
Appendix A: Provision for Adverse Deviation Compliance

The following table specifies the relevant investment categories and target asset allocations solely for purposes of determining the Provision for Adverse Deviations for the Plan. Reference to paragraph numbers in the Investment Category column refer to the investment categories listed in section 76(12) of Ontario Regulation 909 under the Act. For clarity, this Appendix does not require regular rebalancing to match the target asset allocation in this table, nor does it impose any restriction on the Asset Policy Allocation and stated ranges in Section 6.1.

<table>
<thead>
<tr>
<th>Investment Category</th>
<th>Target Asset Allocation</th>
<th>PIAD Treatment (% of fixed income)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term notes and treasury bills that meet one of the minimum credit ratings outlined in Table A</td>
<td>2.5%</td>
<td>100%</td>
</tr>
<tr>
<td>Mortgage loans</td>
<td>5%</td>
<td>50%</td>
</tr>
<tr>
<td>Real estate</td>
<td>10%</td>
<td>50%</td>
</tr>
<tr>
<td>Canadian stocks other than investments referred to in paragraphs 1 to 12</td>
<td>13%</td>
<td>0%</td>
</tr>
<tr>
<td>Non-Canadian stocks other than investments referred to in paragraphs 1 to 12</td>
<td>32%</td>
<td>0%</td>
</tr>
<tr>
<td>Canadian bonds and debentures (other than investments referred to in paragraphs 1 to 12 that meet one of the minimum credit ratings in Table A.)</td>
<td>22.5%</td>
<td>100%</td>
</tr>
<tr>
<td>Non-Canadian bonds and debentures (other than investments referred to in paragraphs 1 to 12 that do not meet any of the minimum credit ratings in Table A.)</td>
<td>5%</td>
<td>50%</td>
</tr>
<tr>
<td>Investments other than investments referred to in paragraphs 1 to 16.</td>
<td>10%</td>
<td>50%</td>
</tr>
</tbody>
</table>

TABLE A
MINIMUM FIXED INCOME ASSET RATINGS

<table>
<thead>
<tr>
<th>Credit rating agency</th>
<th>Rating - bond market securities</th>
<th>Rating - money market securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>DBRS</td>
<td>BBB</td>
<td>R-2 (middle)</td>
</tr>
<tr>
<td>Fitch Ratings</td>
<td>BBB-</td>
<td>F-3</td>
</tr>
<tr>
<td>Moody’s Investors Service</td>
<td>Baa3</td>
<td>P-3</td>
</tr>
<tr>
<td>Standard &amp; Poor’s</td>
<td>BBB-</td>
<td>A-3</td>
</tr>
</tbody>
</table>
To: Members of the Board of Governors  
From: Gen Gauthier-Chalifour, University Secretary  
Subject: Addenda Item  
Meeting: Wednesday, January 22, 2020

5b) Proposed 2020-21 Capital Plan [Motion]

The attached memo and motions relating to the 2020-21 Capital Plan was circulated under separate cover.
To: Members of the Board of Governors
From: Gen Gauthier-Chalifour, University Secretary
Subject: 5. Finance Committee Report
Meeting: Wednesday, January 22, 2020

b) Proposed 2020-21 Capital Plan [Motion]

Motions for Consideration
Motions are presented in-line below. The following elements of the Capital Plan are being presented for approval:

- Capital Renewal
- Lang Plaza
- Animal Care – Backup Power

The motions are presented on the recommendation of both the Finance Committee and the Physical Resources and Property Committee.

Background
The Physical Resources and Property Committee and the Finance Committee received and considered the 2020-21 Capital Plan at their meetings of November 29, 2019 and December 2, 2019, respectively. Each committee considered the capital plan from the perspective of its terms of reference.

The objective of preparing a single planning document that incorporates all major capital requirements for capital renewal (i.e. deferred maintenance), ancillary units, and academic and support facilities, is to identify the relative priority and costs of addressing campus facility needs.

The Capital Plan is not subject to approval as a whole, rather, the component pieces that make up the Capital Plan are brought forward for approval. Motions are presented for capital renewal activities as a whole and individually for any major capital projects. Approval for capital renewal is sought at the time of the presentation of the annual Capital Plan. Major capital projects are brought forward once planning and cost estimates are sufficiently advanced to warrant requesting Board of Governors approval for capital construction, which may or may not coincide with the presentation of the Capital Plan, depending on the project.

The timing of the presentation of the Capital Plan, in advance of the University’s main budget approvals, is to facilitate the required timeline in order to best use the summer construction period.
In accordance with the University’s Capital Debt Policy\(^1\), where a fundraising target has been set to fund all or a part of a capital project, 75% of that target must be received before the construction project can be started.

Both the Finance Committee, and the Physical Resources and Property Committee, have indicated their support for the following motion to authorize the University Administration to proceed with the capital renewal projects included in the 2019-2020 Capital Plan.

\[ \text{i. Approval of 2019-20 Capital Renewal} \]

**Background**

Further to the information provided in the 2020-2021 Capital Plan, the Board of Governors is asked to approve a motion to authorize the University Administration to proceed with the 2020-2021 capital renewal program.

As summarized on page two of the capital plan, the 2020-21 capital renewal program consists of $35 million split across four categories; main campus infrastructure, MacNaughton Renewal Phase 2, Ancillary – Student Housing, and Ancillary & Other. Details on the projects and process can be found on pages 4 – 12 of the plan.

**Committee Consideration**

In considering the capital renewal plan within the Capital Plan, both committees reflected on the challenges of maintaining a large and aging campus. The committees also discussed the balancing of the investments necessary to maintain the campus with affordability.

**Motion for Consideration**

*The following motion is presented on the recommendation of both the Finance Committee and the Physical Resources and Property Committee.*

The Board of Governors is asked to,

**RESOLVE, that Board of Governors accept and approve that the University Administration be authorized to proceed with the capital renewal projects included in the 2020-2021 Capital Plan, including that:**

a) **The total cost not exceed $35 million and $14.9 million of which is to be paid from unit reserves, $2.5 million of which is to be paid from grants, and $17.6 million of which is to be paid from financing.**

b) **The University Administration be authorized to determine on behalf of the Board of Governors decisions concerning appointment of architects and consultants in a manner consistent with relevant University purchasing and tendering policies; and,**

c) **The University Administration be authorized and directed to do all acts and things as may be necessary and desirable to complete the transaction contemplated herein, and that any two Officers of the University are hereby**

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\(^1\) https://www.uoguelph.ca/finance/policies-procedures/treasury-operations/investment-management-policies-and-procedures/capital-debt
authorized to execute and deliver any and all documents, which in their opinion, are necessary or desirable to give effect to the foregoing.

ii. Lang Plaza

Background
The University Administration is seeking approval for the Lang Plaza project. Details surrounding the project are found on page 13 of the enclosed 2019-2020 Capital Plan.

Committee Consideration
In considering the Lang Plaza, the Physical Resources and Property Committee reflected on the existing and future tree canopy coverage associated with the project.

Motion for Consideration

The following motion is presented on the recommendation of both the Finance Committee and the Physical Resources and Property Committee.

The Board of Governors is asked to:
RESOLVE, that the Board of Governors accept and approve that the University Administration be authorized to proceed with the Lang Plaza project, including that:

a) The total project cost not exceed $3 million and $2.5 million of which is to be paid from fundraising and, $0.5 million is to be paid from central reserves; and,

b) The Administration present a schematic design and detailed design drawings for the project to the Physical Resources and Property Committee; and

c) The University Administration be authorized to determine on behalf of the Board of Governors decisions concerning appointment of architects and consultants in a manner consistent with relevant University purchasing and tendering policies; and,

d) The University Administration be authorized and directed to do all acts and things as may be necessary and desirable to complete the transaction contemplated herein, and that any two Officers of the University are hereby authorized to execute and deliver any and all documents, which in their opinion, are necessary or desirable to give effect to the foregoing; and,

e) That the Physical Resources and Property Committee and Finance Committee receive regular updates regarding the budget, design and materials, and completion schedule; and,

f) Requests for adjustments to the project will follow the normal capital project review and approval processes of the Board of Governors.
iii. Animal Care – Backup Power

Background
The University Administration is seeking approval for the Animal Care – Backup Power project. Details surrounding the project are found on page 17 of the enclosed 2019-2020 Capital Plan.

Committee Consideration
In considering this project, the Physical Resources and Property Committee noted the importance of the project, namely the essential provision of backup power to the project area.

Motion for Consideration
The following motion is presented on the recommendation of both the Finance Committee and the Physical Resources and Property Committee.

The Board of Governors is asked to:
RESOLVE, that the Board of Governors accept and approve that the University Administration be authorized to proceed with the Animal Care – Backup Power project, including that:

a) The total project cost not exceed $2.4 million and $2 million of which is to be paid from Heritage Fund distributions and, $0.4 million is to be paid from central reserves; and,

b) The Administration present a schematic design and detailed design drawings for the project to the Physical Resources and Property Committee; and

c) The University Administration be authorized to determine on behalf of the Board of Governors decisions concerning appointment of architects and consultants in a manner consistent with relevant University purchasing and tendering policies; and,

 d) The University Administration be authorized and directed to do all acts and things as may be necessary and desirable to complete the transaction contemplated herein, and that any two Officers of the University are hereby authorized to execute and deliver any and all documents, which in their opinion, are necessary or desirable to give effect to the foregoing; and,

e) That the Physical Resources and Property Committee and Finance Committee receive regular updates regarding the budget, design and materials, and completion schedule; and,

f) Requests for adjustments to the project will follow the normal capital project review and approval processes of the Board of Governors.