

## BOARD OF GOVERNORS

Meeting  
Friday, December 6, 2024

OPEN SESSION: 1:00 p.m. – 3:30 p.m.

### AGENDA

1. **Welcome and Adoption of Agenda** D. Kirk, Chair  
Declaration of Conflicts of Interest (if any)  

“The Board respectfully acknowledges that we are on the treaty and traditional territory of the Mississauga Anishinaabeg. We offer our gratitude to First Peoples for their care for, and teachings about, our earth and our relations. May we honour those teachings.”
2. **Consent Agenda** Chair  
**Draft motion:**  
**That the Consent Agenda be approved [as presented or as amended]**
  - 2.1. **Approval of Minutes**  
Open Session, October 18, 2024 (for approval) (pg. 4)
  - 2.2. **Financial Update**  
Report (for information) (pg. 8)
  - 2.3. **Capital Projects Update**  
Report (for information) (pg. 16)
  - 2.4. **Investment Performance Summary (Pension) – Q3**  
Report (for information) (pg. 23)
  - 2.5. **Investment Performance Endowment/Sinking Fund – Q3**  
Report (for information) (pg. 31)
  - 2.6. **Mawer Global Equity Pooled Fund**  
Report (for information) (pg. 53)
  - 2.7. **Creation of New Department of Psychology at Durham GTA**  
Report (for information) (pg. 56)
  - 2.8. **Revisions to Course Syllabus Policy**  
Report and Policy (for information) (pg. 62)
3. **Chair’s Remarks** Chair
4. **President’s Report** C. Bruce, President

**5. Board of Governors 2024-2025 Leadership Scholarship**

**5.1. Presentation from Recipient**

Chair / Denise Marek

- 6. 2023-2024 Audited Pension Financial Statements** J. McGarrity/ VP Al-idrissi  
Report & Draft Financial Statements (for approval) (pg. 66)

**Draft motion:**

**THAT the Board of Governors approve the Financial Statements of the Contributory Pension Plan for Employees Represented by OPSEU Local 365 and Exempt Administrative Staff of Trent University (Registration Number 0310409) dated June 30, 2024.**

- 7. Special Resolution II.13 – Short Term** J. McGarrity / VP Al-idrissi  
**Cash Investment Policy**

Report and Policy (for approval) (pg. 89)

**Draft Motion:**

**THAT the Board of Governors approve the revisions to Special Resolution II.13: Short Term Cash Investment Policy, as presented/amended.**

- 8. Supplier Code of Conduct Policy** J. McGarrity / VP Al-idrissi  
Report and Policy (for approval) (pg. 95)

**Draft Motion:**

**THAT the Board of Governors approve the Supplier Code of Conduct Policy, as presented/amended.**

- 9. Revisions to Procurement of Goods and Services** M. Lavallée / VP Al-idrissi  
**and Related Policies**

Report and Draft Revised Policies (for approval) (pg. 101)

**Draft Motion:**

**THAT the Board of Governors approve the revisions to the Procurement of Goods and Services Policy, the Policy on Contract Signing Authority, Special Resolution II.2 – Purchasing Policy, and Special Resolution II.4 0 Property and Land Use, as presented/amended.**

- 10. 2025-26 Operating Budget – Fiscal Environment,** M. Lavallée / VP Al-idrissi  
**Budget Processes and Timelines**  
Report (for information) (pg. 132)

**Draft Motion:**

**THAT the Board of Governors receive this report for information.**

- 11. Special Resolution III.8 – Board Diversity Policy** V. Lovekin/ VP Davis  
Report and Policy (for approval) (pg. 152)

**Draft Motion:**

**THAT the Board of Governors approve revisions to Special Resolution III.8: Appointment of Members of the Board of Governors – Board Equity, Diversity and Inclusion Policy as presented (or amended).**

- 12. Sustainability and Energy Plan Update** M. Lavallée / President /VP Al-idrissi  
Report (for discussion/information) (pg. 158)

- 13. Meeting Adjournment** Chair



## Board of Governors

### Minutes of the Meeting – Open Session

Woodview, ON, October 18, 2024

**Present – In Person:** D. Kirk (Chair), G. Beggs, T. Gervais, J. González Güel, E. Hanna, K. Honey, M. Keefer, M. Lavallée, V. Lovekin, J. McKenna, U. Mrabure, P. Norman, A. Ramsay, H. Uluorta, (Vice-President, Finance & Administration) T. Al-idrissi, (Vice-President, Communications & Enrolment) M. Burns, (Vice-President, External Relations & Development) J. Davis, (Interim Vice-President, Trent Durham) S. Henderson, (Interim Vice-President, Research & Innovation) H. Hintelmann, (Vice-President, Human Resources) S. Williams, (Associate Vice-President, Finance) C. Turk, (University Secretary) B. Blackburn, R. Hall (Recording Secretary).

**Present – Virtual:** D. de Launay, J. McGarrity

**Regrets:** E. Kaszecki, K. Scaldwell

*[The Secretary confirms that quorum was present for this meeting.]*

- 1. Welcome and Adoption of Agenda.** The Chair called the Open Session of the meeting to order at 1:00 p.m. Hearing no amendments to the agenda, and no conflicts of interest declared, it was moved/seconded (Beggs/Keefer),

**That the Board approve the agenda as presented.** Carried

- 2. Consent Agenda.** It was moved/seconded (Hanna/Gervais),

**That the consent agenda be approved as amended.** Carried

**2.1 Approval of Minutes.** The Open Session minutes of June 27, 2024, were approved as presented.

**2.2 Financial Update.** Received for information.

**2.3 Capital Project Update.** Received for information.

**2.4 Investment Performance Summary (Pension) – Q2.** Received for information.

**2.5 Investment Performance Endowment/Sinking Fund – Q2.** Received for information.

- 3. Chair's Remarks.** The Chair welcomed everyone to the meeting. He recalled that each year governors are asked to contribute to the Board of Governors' Leadership Scholarship which is presented to a student for their outstanding leadership and involvement in the community, as well as high academic achievement. Governors would be receiving pledge forms in the coming days and were encouraged to give

and help achieve the goal of \$30K and 100% participation. This year's recipient, Denise Marek, would be in attendance at the next meeting.

The Chair reported that he attended the Trent University Durham 50<sup>th</sup> Anniversary celebration earlier in the week. He also noted that 2024 marked the 60<sup>th</sup> anniversary of Trent University, and congratulated President Bruce on her recent installation as Trent's 9<sup>th</sup> President and Vice-Chancellor.

**3.1 Actions Under Delegated Authority.** Governor Honey, as Chair of the Executive Committee, recalled that at the June 27, 2024 meeting the Board was informed that additional recommendations for appropriations would track to the Executive Committee for approval over the summer. The Committee approved \$11.0M in one-time strategic appropriations, as recommended by senior administration. The appropriations were directed to items that addressed financial sustainability, reputation and quality, differentiation, student experience, culture, and risk management. Governor Honey further reported that the Committee passed a motion to add four new funds, that were approved as part of the February 2024 appropriations, to the University's declaration of trust. This action was required in order to finalize the 2023-2024 audit.

**4. President's Report.** The President reported on various activities since the last meeting.

**Government Relations.** The President met the new Minister of Colleges and Universities, Minister Quinn, at two recent events, where he indicated an interest in visiting Trent. A meeting was held this fall with elected government officials in the Durham region, including Minister McCarthy, Minister Bethlenfalvy, MPP Lorne Coe, and MPP Patrice Barnes to showcase the promising developments at Trent's Durham GTA campus. The President also met with Mayor Carter, of Oshawa, with discussions centering on potential collaborations.

**Enrolment Update.** The President recalled the previous government restrictions on international study permits and the resulting increased competition for domestic students, all of which was putting downward pressure on enrolment. She reported that administration was making quick moves to address this, such as adjusting scholarships and the establishment of a task force. Despite these challenges, Trent had a good showing at the recent Ontario Universities Fair with an increase in contacts and attendance by more Trent staff, faculty and students than previous years.

**Maclean's Rankings.** VP Burns reported that the Maclean's Rankings were released earlier in the week and Trent had slid down to the second primarily undergraduate university in Ontario. Trent did however climb in other areas, including first in Ontario and third in Canada for highest quality, and first in Ontario

for student services, faculty awards, and medical science grants. Administration will continue to strive to obtain top rankings.

**Head of the Trent.** The President was pleased to report that the Head of the Trent, held October 4-6 was well attended. The event included celebrations for Traill College's 60<sup>th</sup> anniversary and Gzowski College's 20<sup>th</sup> anniversary. Trent worked closely with the Peterborough Police Service, emergency services, and the City to be prepared to manage any unsanctioned events. She was happy to share that there were no major incidents on campus or downtown over the weekend.

**Installation.** The President commented on her installation ceremony on September 26, thanking everyone who was able to attend and offered words of support.

- 5. Long-Term Care Home Update.** The President recalled that in 2019 the University was seeking proposals for an experienced long-term care operator to own and operate a long-term care facility on Trent lands. Trent subsequently entered into a land lease and teaching and research agreement with peopleCare who submitted a proposal to the province for a 224-bed not-for-profit home. It was anticipated that the groundbreaking would take place in spring 2025 with an opening date in 2027. VP Davis stated that the long-term care home would be the anchor for a wider university-integrated seniors village strategy.

VP Davis introduced Sheena Campbell, VP of Communications and Engagement, and Jennifer Killing, VP of Quality, Research and Strategic Partnerships, at peopleCare. Ms. Campbell and Ms. Killing shared with the Board peopleCare's values, vision and business model, adding that the organization had been in business for 56 years. They highlighted the various activities provided to residents, collaborations in creating student experiences, examples of community partnerships, and demonstrated where Trent and peopleCare's visions align. peopleCare also referenced a recent podcast with President Bruce and Megan Allen-Lamb, president of peopleCare, entitled *Reimagining How We Create Seniors' Communities*. peopleCare responded to questions related to the type of care provided and accommodations for residents. VP Davis advised the Board that the Ministry of Long-Term Care was ultimately responsible for the quality of the home and Trent was not involved in that aspect. However, the agreement with peopleCare called for the establishment of a management committee, which will include the Trent Centre for Aging and Society. The engagement through this committee will ensure that the partnership is working. Nursing students at Trent will be able to work at the home, and the Dean would also work at establishing placements.

It was moved/seconded (Beggs/Keefer),

**That the Board of Governors receive this report for information. Carried**

- 6. 2023-2024 Audited Financial Statements.** Governor McGarrity, as Chair of the Audit & Investment Committee, presented the 2023-2024 audited financial statements for approval. The auditors identified one misstatement that was deemed judgmental in nature and remains uncorrected. This misstatement was a result of a timing issue. Two significant control deficiencies were identified in regard to manual financial reporting processes and journal entries. VP Al-idrissi reported that Financial Services was in the process of implementing system improvements and other changes to realize efficiencies. Although certain audit procedures remain outstanding, the auditors were of the opinion that the financial statements presented fairly in all material respects. It was noted that the agreements highlighted in the report had not been finalized, therefore they were to be removed.

For the 2023-2024 fiscal year, Trent University had a total revenue of \$297.8M, primarily from government grants and tuition fees, and total expenses of \$251.9M, primarily for salaries and benefits, scholarships and bursaries, and supplies, resulting in a total excess of revenue over expense for the fiscal year of \$45.9M. The unrestricted net assets fund balance deficiency decreased to \$60.5M at April 30, 2024, of which \$36.3M is related to employee future benefits and the deficiency in the staff pension plan. The Operating Fund ended the fiscal year with a nominal surplus of \$0.1M before fair value and pension actuarial adjustments. This financial result was primarily due to tuition-only enrolment growth.

It was moved/seconded (Honey/Norman),

**That the Board of Governors approve the Trent University Audited Financial Statements for the fiscal year ending April 30, 2024. Carried**

- 7. Meeting Adjournment.** The open session of the meeting was adjourned at 1:45 p.m.

Brenda Blackburn  
University Secretary

Doug Kirk  
Chair



## Board Report

**Session:**  Closed Session;  Open Session

**Action Requested:**  Decision;  Discussion/Direction;  Information

**To:** Board of Governors

**Date:** December 6, 2024

**Presented by:** Michael Lavallée, Chair Finance and Property Committee  
Tariq Al-idrissi, VP Finance and Administration

**Subject:** **Financial Update to September 30, 2024**

### **Motion for Consideration (if applicable):**

That the Board of Governors receive the updated information on Trent's financial operating performance as information.

### **Executive Summary:**

The 2024/2025 Operating Plan estimated total enrolment would increase from the previous year by 2.9% to a total of 13,658 full-time equivalents (FTEs) (13,275 FTEs in 2023/2024). The enrolment growth was expected to generate increased tuition revenues despite frozen domestic tuition rates and fixed government grants to allow for new investments to address growing enrolment, enhance student supports, maintain institutional capacity and achieve other strategic priorities. Given the uncertainties regarding the impact of the Federal government's cap on international student study permits, the operating budget conservatively included a provision of \$10 million for possible lost international net tuition revenue. The Board-approved budget for 2024/2025 is essentially balanced.

Based on the most current projections using summer and fall (November 1st count) actuals and conservative projections for winter, enrolment is tracking to be 13,130 FTEs or 3.9% less than planned. This shortfall is expected to result in a \$12.9 million loss of net tuition revenue in 2024/2025, which is \$2.9 million more than the provision in the operating budget. In addition, the reduced enrolment is negatively impacting ancillary services, which are projecting a shortfall in contributions to operating of \$0.2 million.

This estimated loss of net tuition and ancillary revenue is partly offset by Trent's allocation of \$1.5 million in Post-secondary Education Sustainability Funding (PSESF) announced by the Ministry in June 2024. These funds were not known at the time the budget was approved in March 2024 and therefore not included in the budget.

Trent is now projecting an operating deficit of \$1.4 million for the year, which may be mitigated using prior year appropriations set aside for operating pressures.



An overview of Trent's current financial position as of September 30, 2024 and projection to year-end are attached. These projections are subject to change once the February 1 final enrolment count is completed and year-end adjustments are finalized.

### **Analysis/Alternatives Considered:**

The Financial Update is intended to provide an overview of the current financial results of operations to the most recently completed month end and revised projections to year end compared to the Board-approved operating budget. It is typical for the actual results to date to indicate a positive variance throughout the year for a number of factors, including:

- Timing issues as the majority of expenditures are spent in the latter eight months of the fiscal year;
- Departmental carry forwards of unspent budgets and university strategic appropriations of any surplus funds are determined closer to year end once the financial position is better known; and
- Significant year-end adjustments are determined at the end of the fiscal year.

The projection to year end will be updated after the February 1st enrolment count is finalized or when material changes to the budget assumptions arise, such as modifications to employee compensation once negotiations of collective agreements are completed, impacts on enrolment, activity or required expenditures in response to changes in legislation or Ministry policies, changes to other funding, or unforeseen events.

### **Year-to-Date Performance**

Cash on Hand: Cash on hand at September 30, 2024 was \$90.3 million compared to \$113.8 million in cash on the same date in 2023. The cash balance at September 30, 2024 is comprised of approximately \$25.7 million in restricted funds (externally funded trust, research and fundraising) and \$64.6 million in unrestricted cash. This unrestricted balance represents approximately 3.6 times the normal total monthly cash requirements for the University.

Operating Line of Credit: The University has available an operating line of credit of \$6 million, which increases to \$12 million twice a year to offset periods of lower cash inflows. The interest rate on the operating line of credit, when drawn, is the bank's prime lending rate and amounts are repayable on demand. The University is currently using this line of credit to accommodate the standby letter of credit (LOC) issued to address solvency special payments for the staff pension plan, which had a cumulative value of \$2.7 million at September 30, 2024.

Short Term Investments: In addition to the cash on hand noted above, the University has \$93.0 million (2024 - \$43.0 million) invested in multiple short-term GICs to maximize investment income on excess cash. These short-term investments are invested in amounts ranging from \$3 million to \$5 million earning between 4.57% to 6.40% with maturity in October 2024, January 2025, March 2025, April 2025, June 2025 and September 2025 to ensure liquidity should some or all of this excess cash be required for operations.

Operating Results: The year-to-date budget is estimated by prorating the annual budget based on last year's actual performance to date adjusted for typical trends, known timing and other seasonal factors. The year-to-date actual financial performance indicates a favourable variance as at September 30, 2024 due primarily to the following:

- Cost recoveries, due to the timing of Advanced Qualification courses; and
- Change in internally restricted assets, due to the recognition of appropriations and carry forwards approved at April 30, 2024 for use in fiscal 2024/2025.

Actual results are subject to change once enrolment numbers are finalized and year-end adjustments and approved appropriations are determined. As per past practice, all departments may request to carry forward any unspent budgets for future strategic initiatives; these requests are considered closer to the fiscal year-end.

### **Year-end Projection**

Government Grants: The Board-approved budget appropriately assumed fixed government funding for fiscal 2024/2025 as there is no mechanism to fund enrolment that exceeds the corridor mid-point under the final year of the 2020-2025 Strategic Mandate Agreement (SMA3). That said, Trent will receive \$1,502,006 in Post-secondary Education Sustainability Funding (PSESF) announced by the Ministry in June 2024. This additional funding was not known at the time the budget was approved and is now reflected in this financial update.

In April 2024, Trent received its results of its performance metrics for 2023/2024 under SMA3. While the University fell slightly short of the performance target in three of its metrics, Trent received additional funds on three other metrics. (Funding recoveries from institutions are reallocated to other universities who exceeded their targets on a metric-by-metric basis). As a result, there will be a small recovery of funds in the amount of \$20,369 in 2024/2025. Although immaterial, this recovery is reflected in this financial update. For further details, please refer to the October 1, 2024 financial update report.

Enrolment Projections and Net Tuition Revenue: The 2024/2025 Operating Plan conservatively estimated total enrolment would increase from 13,275 FTEs the previous year to a total of 13,658 FTEs, a 2.9% overall increase. The budget included a provision of \$10 million for possible lost international net tuition revenue as the impact of the Federal government's January 2024 announcement to cap international student study permits was not known at the time the budget was approved in March 2024.

Based on the most current projections using summer and fall (November 1st count) actuals and conservative projections for winter, enrolment is tracking to be 13,130 FTEs or 3.9% less than planned. This shortfall, primarily in international enrolment, is expected to result in a \$12.9 million loss of tuition revenue net of associated student financial aid, agency fees and international student recovery fees in 2024/2025, which is \$2.9 million more than the provision in the operating budget.

Full details regarding the enrolment projections are outlined in a separate report on Enrolment presented at the November 26, 2024 Finance and Property Meeting.

Operating Expenses: The majority of the University’s operating expenses are incurred during the Fall 2024 and Winter 2025 academic terms. At this early date, senior administration is not aware of any material changes to planned operating expenses (other than those accounted for in the net tuition revenue identified above) that would warrant an adjustment to the budget. Trent has reached a tentative agreement with CUPE2; any difference between the settled contract and the operating budget assumptions will be adjusted once the renewal of the collective agreement is finalized.

Cost Recoveries: The decline in planned enrolment also impacts ancillary services, resulting in reduced revenues. Contributions to the operating budget for administrative overhead, which are calculated as a percentage of ancillary revenues, are projected to fall short of planned targets by \$244,000 as a result of the lower revenues.

**Financial Implications:**

With the revised enrolment projections and financial implications noted above, which are partly offset by the additional PSESF funding for 2024/2025, the University is now projecting a deficit of \$1,420,000 for the fiscal year.

The key driver for the University’s revenue is student enrolment. Senior Administration closely monitors enrolment and adjusts projections at two key points during the year: once following the November 1st count and again following the February 1st count, at which time enrolment is finalized. Projections in this report are based on summer and November 1st counts plus a conservative estimate for winter enrolment.

Not only does enrolment drive tuition revenue, but other key expenditures are variable based on enrolment, including scholarships and financial aid, international agency fees, and international student recovery. The University’s financial position will be significantly impacted by changes in enrolment projections. To put the impact into perspective, every change of 1% in enrolment will have the following effect on net tuition revenue:

	+/- 1% FTEs	+/- 1% Net Revenue
Undergraduate domestic enrolment	~97 FTEs	\$548,000
Undergraduate international enrolment	~ 15 FTEs	\$387,000
Undergraduate international PGC enrolment	~ 13 FTEs	\$220,000
Graduate domestic enrolment	~ 4 FTEs	\$ 21,000
Graduate international enrolment	~ 8 FTEs	\$199,000

Given the current situation, the University has modelled additional scenarios for international enrolment assuming less conservative winter assumptions than are included in this financial update.

If Trent is successful in improving the conversion (accepts to enrolled) rate to 10% for winter post-graduate certificate intake, the estimated net financial forecast could be improved by an estimated \$616,000. If the current accepts increase to final 2024 levels, net results would be improved by approximately \$1,418,000.

Furthermore, if recruitment efforts are successful in converting or attracting more international undergraduate enrolment, Trent could see additional net revenues of approximately \$500,000.

### **Enterprise Risk Assessment:**

The financial health of the University is paramount to the University's overall success and ability to fulfill its academic mandate and meet student expectations. Monitoring in-year financial performance against the approved budget is critical to ensuring well-informed decision making regarding the allocation and use of limited resources, and mitigating strategies if financial loss is anticipated.

### **Next Steps:**

The next financial update will be provided at the next Finance and Property Committee meeting on January 28, 2025.

### **Alignment with Mission, Vision, Values, Strategic Plan:**

To fulfill their responsibilities, Governors should be informed of the University's financial situation. Regular financial updates will maintain Governors' awareness of the University's current financial status and allow for input and oversight where needed. Such updates also allow for in-year decisions for strategic investments if possible, or mitigation strategies as necessary in alignment with Trent's mission to "foster sustainability, in its environmental, social and economic dimensions, on our campuses and in all aspects of our work" and Trent's Strategic Plan to "ensure that it is financially healthy and sustainable".

### **Consultation:**

Not applicable

### **Compliance with Policy/Legislation:**

Complying with a Board of Governors' directive, the full Board will receive regular financial updates, through the Finance and Property Committee.

### **Committee/Board Mandate:**

The Board of Governors is responsible for ensuring the financial health of the University and the proper management of its buildings, lands and capital projects. The Finance & Property Committee assists the Board in carrying out these responsibilities by monitoring the institution's financial, property and capital affairs and making related policy recommendations.

In its finance role, the Committee monitors budget projections and debt levels and recommends operating, ancillary and capital budgets for the approval of the Board of Governors. It recommends levels of student fees, spending authority, loans and lines of credit for Board approval. The Committee makes recommendations to the Board for the approval of any contract or purchase the total value of which exceeds the level of spending established for the President. The Committee may make financial policy recommendations to the Board including but not limited to policies on tuition and ancillary fees, banking, borrowing and purchasing. It may make recommendations to the Board concerning fiscal planning, internal financial controls or other areas affecting the financial

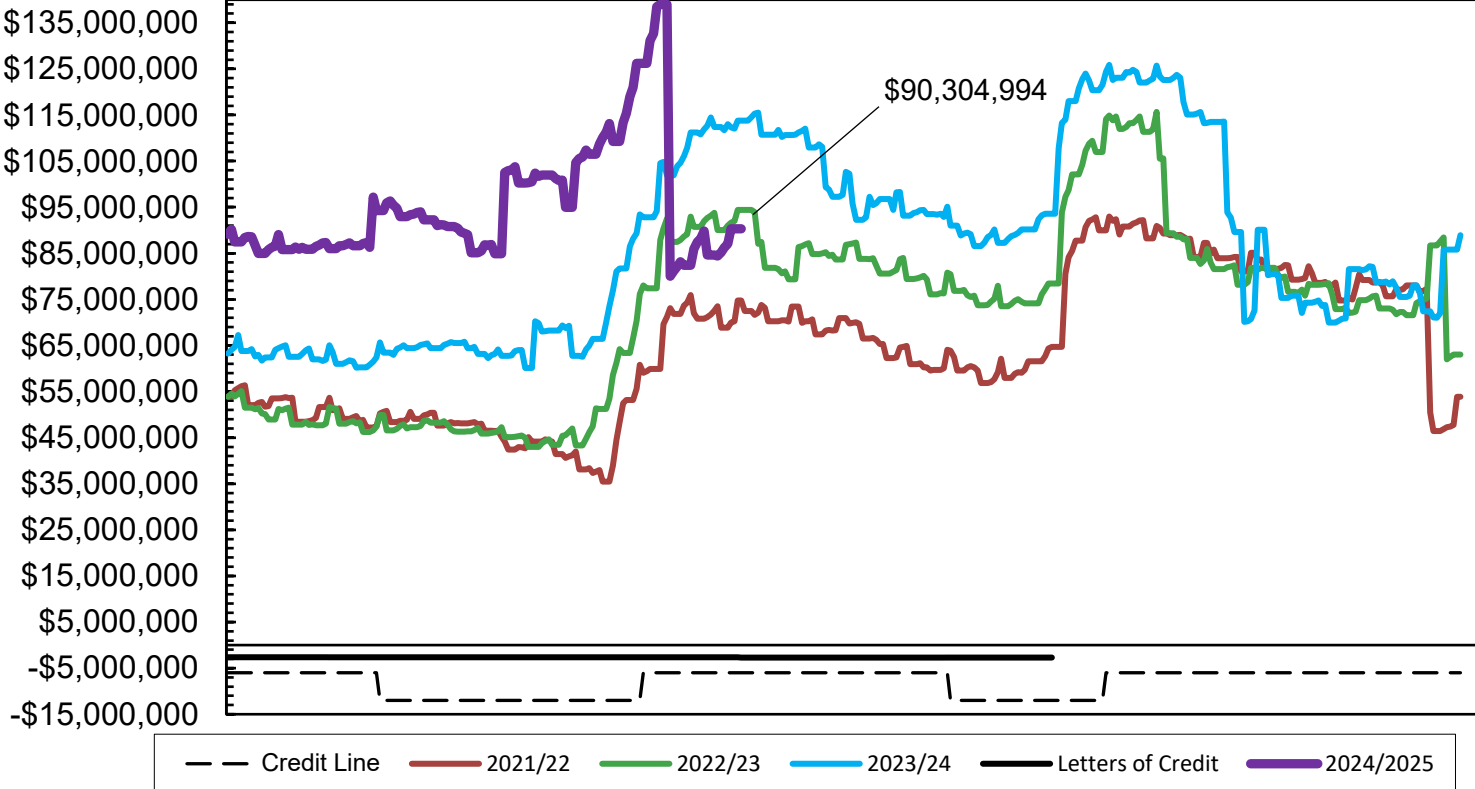
health or accountability of the University. The administration may consult with the Committee on the subjects for internal audits and provide follow-up reports.

**Supporting Reference Materials (attached):**

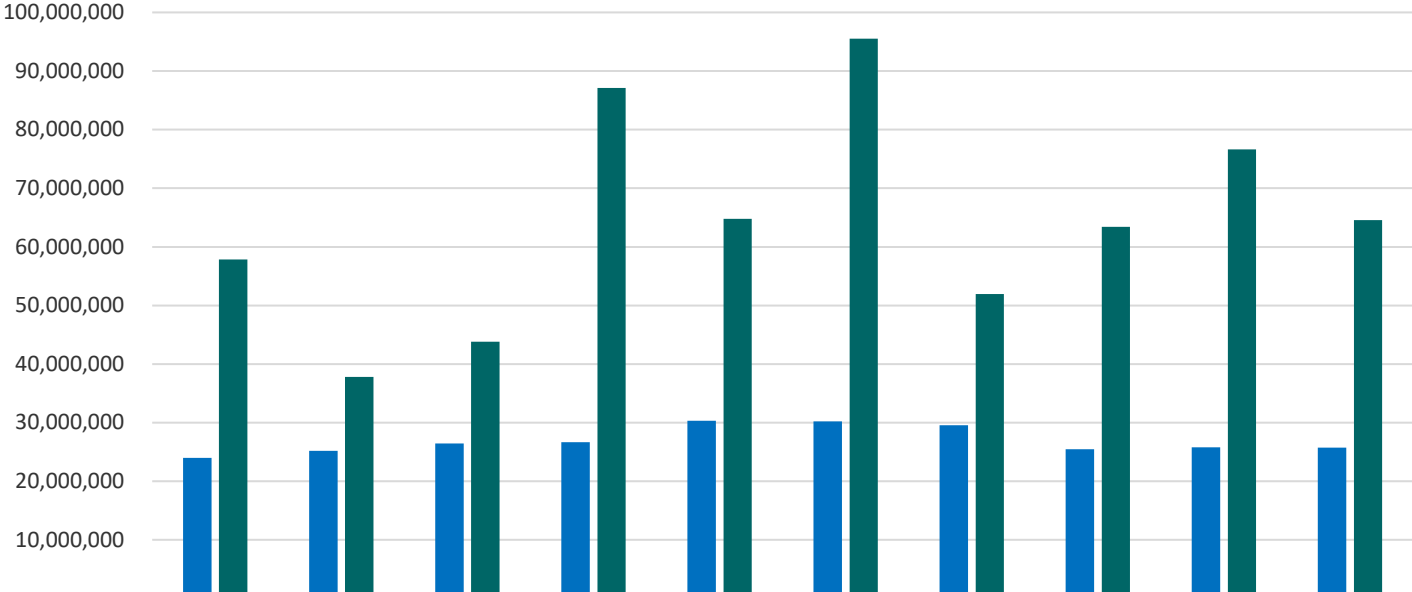
Appendix A: Cash Position for the period ending September 30, 2024

Appendix B: 2024/2025 Operating Budget Projection as at September 30, 2024

TRENT UNIVERSITY CASH POSITION FOR 2021-22 to 2024-25



Trent University Restricted\* / Unrestricted Cash Position (\$000's)



	Feb 28, 2023	Apr 30, 2023	July 31, 2023	Sept 30, 2023	Nov 30, 2023	Jan 31, 2024	Mar 31, 2024	Apr 30, 2024	July 31, 2024	Sept 30, 2024
Restricted	23,998,964	25,209,984	26,443,992	26,695,165	30,317,479	30,235,759	29,590,841	25,469,217	25,788,250	25,722,343
Unrestricted	57,855,841	37,810,472	43,836,138	87,110,395	64,755,486	95,499,452	51,965,571	63,428,343	76,605,266	64,582,651

**Appendix B:**

**Trent University  
2024-2025 Operating Budget Projection  
(\$000s)  
As of September 30, 2024**

	<b>YTD ACTUAL</b>	<b>BOARD- APPROVED ANNUAL BUDGET</b>	<b>ANNUAL PROJECTION</b>	<b>ANTICIPATED ANNUAL VARIANCES</b>
<b>REVENUE</b>				
Government grants	20,889	54,145	56,110	1,965
Tuition	83,072	162,539	147,206	(15,333)
Provision for tuition revenue loss	-	(10,000)	-	10,000
Miscellaneous revenue	3,237	5,230	5,230	-
<b>TOTAL REVENUE</b>	<b>107,198</b>	<b>211,914</b>	<b>208,546</b>	<b>(3,368)</b>
<b>EXPENSES</b>				
Instructional staff	29,763	93,967	93,967	-
Non-instructional staff	25,120	63,227	63,227	-
Student financial aid	7,740	15,963	15,020	943
Non-staff expense	16,375	51,102	50,052	1,050
Total expense	78,998	224,259	222,266	1,993
Cost recoveries	(8,562)	(12,294)	(12,050)	(244)
<b>TOTAL NET EXPENSE</b>	<b>70,436</b>	<b>211,965</b>	<b>210,216</b>	<b>1,749</b>
<b>EXCESS OF REVENUE OVER EXPENSE</b>	<b>36,762</b>	<b>(51)</b>	<b>(1,670)</b>	<b>(1,619)</b>
Change in Internally Restricted Assets & Endowment Transfers	6,345	250	250	-
<b>EXCESS (DEFICIT) from University Operations</b>	<b>43,107</b>	<b>199</b>	<b>(1,420)</b>	<b>(1,619)</b>



## Board Report

Session:  Closed Session;  Open Session

Action Requested:  Decision;  Discussion/Direction;  Information

To: Board of Governors

Date: December 6, 2024

Presented by: Michael Lavallée, Chair Finance & Property Committee  
Tariq Al-idrissi, Vice-President, Finance & Administration

Subject: Capital Projects Update

### Motion for Consideration (if applicable):

That the Board of Governors receive the Capital Projects Update for information.

### Executive Summary:

While the construction season begins to close, there are projects based on funding grants or project timelines that will continue through the academic window. Challenges such as workforce availability, supply chain, and the volume of work all impact project delivery.

### Discussion:

#### Facilities Renewal Program (FRP) – 2024/2025

The FRP allocation to Trent is \$3.64M for this construction season. The FRP funding is based on the provincial fiscal year-end. Therefore, all projects must be completed before March 31, 2026.

Provincial funding is intended to supplement postsecondary institutions' programs that address ongoing needs for maintaining, repairing, renovating, and modernizing existing facilities. However, limitations do exist concerning project eligibility. The FRP funding is primarily intended for academic space improvements, but Trent can use this funding to improve access to students with disabilities. This restriction results in a large volume of space on each Campus that is not eligible for improvements through FRP funds.



Table 1 – Draft Facilities Renewal Program Project List – 24/25

<b>FRP 2024/25 PROJECTS</b>	<b>Estimate</b>	<b>Status</b>
Building Envelope - Windows / Curtain Wall	\$45,000	100% Complete
Mechanical & Electrical Improvements	\$910,000	50% Complete
Site Services (Sanitary, Storm, etc)	\$45,000	Tendered
Washroom Renovations	\$225,000	100% Complete
Roofing Replacements & Repairs	\$1,145,000	100% Complete
Foundations and Structural Repairs & Testing - Design	\$50,000	Tendering
Exterior Paths, Walkways & Stairs	\$1,098,000	65% Complete
AODA Improvements	\$225,500	Design Stage
<b>Total Estimated Expenses</b>	<b>\$3,743,500</b>	
FRP Grant	\$3,643,500	
Institution Contribution - FM Operating	\$100,000	

## **Projects In Support of Gidigaa Migizi and the New Otonabee College Residence**

### **New College Parking Lot**

The project management office has completed the design of over 800 parking spaces north and east of the Life and Health Sciences building. The new spaces will replace those lost during the new college's construction and the reconstruction of the Otonabee residence.

Staff are finalizing contract documents, and earthworks will begin this fall. The contract calls for 571 spaces by August 2025, with the remaining 284 spaces by June 2026. The project includes lighting, rough-in conduits for electric vehicles, accessibility spaces, and services for future growth in the area. The ultimate vision will see Cleantech Commons Way connect to the east end of the parking lots.

Staff collaborated closely with Indigenous communities to ensure the delivery of a suitable final product. Setbacks from natural heritage and wetlands are respected, and the final design controls stormwater runoff to the current levels. Stormwater management is implemented by various means. A delicate balance must be struck between competing interests such as accessibility. Supporting wildlife corridors and safe animal crossings also form part of the detailed design.

## Science Workshop and Science Storage Relocation

Staff are diligently working with faculty to find acceptable spaces for the science workshop and the science storage facility, which are located within Gidigaa Migizi's construction footprint. The storage facility has been accommodated within the new college. Therefore, a temporary facility will be needed during construction.

The Science workshop facility supports research and faculty and will be needed before construction begins. Working with the Research Office, staff are investigating whether Environmental Sciences can support the function while providing exterior access for large equipment.

The Heritage Committee will be consulted as options begin to be investigated.

## Tree Removal

Knightstone Capital, the preferred proponent, will begin clearing trees this fall in the footprint of the future construction project. Due to nesting birds, the window for tree clearing is October to March. This operation is required to begin the project in the spring or summer of 2025.

## **Bata Catwalk Bridge Deck Replacement**

The complexity of the Bata Catwalk replacement has proven difficult. The Bata Catwalk forms part of the original construction of the Symons Campus and acts as an extension from the Library to the Champlain podium. The noteworthy construction methods, heritage features, and the need to support campus flows garnered no interest from contractors during the first tender stage in the spring.

Over the summer, the project management office staff retendered the project, sending five heritage restoration contractors' specific invitations to tender. During the bidding process, a sixth contractor sent a bid. However, the new contractor, who did not attend the tender site meeting, was the lowest bidder. The low bid was well over budget.

The project management office refined the project scope while supporting the integrity of the building and extending the project completion date. The Committee is considering the award report for the reconstruction in this package.

Administration has received approval from the Heritage Committee on the scope of work included in the contract document.

## **Rehabilitation of the Faryon Bridge**

This project again reflects the struggles to garner interest in our heritage assets.

The initial assessment completed years ago proposed an intensive removal and reconstruction of various bridge members. The proposed scope of work highlighted

challenges with maintaining pedestrian traffic while reconstructing the bridge. This proposed path also requires work in the water to support the bridge during construction, which must be coordinated with the waterway authorities.

The initial procurement for design resulted in only two submissions; however, after the evaluation process, there was no means of moving forward with either proposal. After repeating the procurement process, staff decided to complete a preliminary design assessment to ensure the reconstruction process was right and achievable with the complexity of the river and the Trent Severn Waterway.

The preliminary design assessment has now identified a preferred design method that could result in lower construction costs. The award report for the detailed design is included in this package for consideration.

The project management office will present the project's heritage aspect to the Heritage Committee before the detailed design process begins. The committee's early involvement will ensure the project protects the university's interests.

### **Classroom Renovation and Academic Space Rehabilitation**

The project management office and the Registrar worked collaboratively this past year to complete the classroom renovation project that now allows for an additional large-capacity class in the scheduling inventory. The teams also refreshed an underutilized seminar room based on its condition.

The project management office is now collaborating with the registrar's office to plan for subsequent projects in the summer of 2025. This project is a four-year implementation of recommendations made during the space utilization study.

### **Trent Research Farm Driveshed**

The driveshed, currently under construction, includes two oversized loading/garage bays, a seed storage area and indoor working areas, outdoor working areas with wash stations, and bathroom facilities for students, employees, and farm visitors.

The project began in the summer, and the contractor had to complete the facility before winter. The team experienced supply chain delays with the exterior cladding; however, the project targets an end-of-November completion date. The driveshed forms part of the continued development of the Research Farm Master Plan.

### **Student Housing Renovation**

The Housing Office and Project Management Office (PMO) are working on a revised multi-year capital renovation plan that supports student housing.

## **CCW Quad Curtain Walls and Windows**

Project progress during the student vacancy period was successful. The contractor managed to complete 35% of the project. Trent intends to continue the project beginning May 1, 2025. The contractor is to complete the project before the 2025 fall academic year.

Administration has met with the Heritage Committee Chair who provided a recommendation that the work continue as planned. The project management office reviewed the original drawings to find the exact colour specified during the original design. With the cooperation of the contractor, Trent was able to reinstate the “bottle green” colour originally specified. Although the original steel case windows gave way to the newly manufactured aluminum material, they increased energy efficiency, and the project preserved its appearance.

## **Additional Completed Projects**

The project management office has also completed the following projects this past construction season.

- Enwayaang Housing/Conferences Office Reno – \$40K
- Durham Medicine Garden – \$200K
- Bata Library Bathroom Design – \$100K
- Nursing Lab Renovation – \$200K
- Lady Eaton College Faculty Office Air Conditioning - \$300K
- Environmental Sciences Centre Curtain Wall Refurbishment – \$50K
- Durham Office reconstruction and Conversion of Residence Space to Office – \$110K
- LEC College Office Reno – \$100K

## **Additional Ongoing Projects**

The following projects will be the focus of the project management office over the upcoming construction season.

- Trent Enterprise Centre – Cleantech (Design/Build contract being negotiated) \$15M
- Trent Research Farm Master Plan – (ongoing) \$100K
- Demolition of unused buildings – (two demolitions completed) \$300K
- Sciences Greenhouse Replacement – (being tendered, no interest from specialized greenhouse companies) \$300K
- OC K House – (conceptual review) \$100K
- OC Walkway – (tendered & awaiting FRP Announcement) \$250K
- Athletics Squash/First Aid – (completing design)

## **Future Capital Projects**

Future projects include:

- New College and Otonabee College New Build (preliminary concepts being developed, agreements being negotiated)
- Grounds Operation Facility relocation (pending lands plan priorities)
- Potential servicing of Seniors Village via Long Term Care project (under consideration)
- Replacement of the Water Quality Centre UPS (uninterruptable water supply) battery backup
- Replacement of the water treatment system in the Environmental Science Complex
- Symons Class Renewal – Phase 2-4
- DNA A block roof renewal
- Action items related to the Durham Task Force review.

## **Financial Implications:**

- Added funding by the University to complete non-eligible components of the FRP projects.
- Capital planning for future projects.
- Academic/Research equipment replacement

## **Enterprise Risk Assessment:**

Exceeding capital budgets and delaying the delivery of projects can result in added financial pressures or negative reputational impacts.

## **Next Steps:**

1. Continue to develop the Infrastructure Asset Condition Inspection and Ratings,
2. Project development and project completion, and
3. Planning and formalized capital program.

## **Consultation:**

- The Ellucian Colleague Financial system
- Facilities Condition Database
- Web Work Order system
- Heritage Committee
- Asset Condition Reports
- ECS (Education Consulting Services) Space Utilization Study
- Trent Lands and Nature Areas Report
- Registrar Office

- PPG

### **Committee/Board Mandate:**

The Board of Governors is responsible for ensuring the financial health of the University and the proper management of its buildings, lands, and capital projects. The Finance & Property Committee assists the Board in fulfilling these responsibilities by monitoring the institution's financial, property, and capital affairs and making related policy recommendations.

In its property role, the Finance and Property Committee is responsible for the overall monitoring of campus capital building programs, stewardship of heritage assets, and makes recommendations to the Board of Governors for the approval of revisions to the Master Plan (siting of new facilities), the appointment of architects, final building designs, and major construction contracts.



**AON**

# Executive Summary

Trent University

Third Quarter 2024

Investment advice and consulting services provided by Aon Solutions  
Canada Inc.





# Major Capital Markets' Returns

## As of 30 September 2024

	1 Quarter	YTD	1 Year	2 Years	3 Years	4 Years	5 Years	10 Years
<b>Equity</b>								
S&P/TSX Composite	10.5	17.2	26.7	17.8	9.5	13.9	10.9	8.1
S&P 500	4.5	25.1	36.2	27.7	14.3	16.5	16.4	15.5
S&P 500 (USD)	5.9	22.1	36.4	28.8	11.9	16.2	16.0	13.4
MSCI EAFE (Net)	5.9	15.8	24.7	24.1	7.8	10.5	8.6	7.7
MSCI World (Net)	5.0	21.8	32.3	26.0	11.4	14.0	13.5	12.2
MSCI ACWI (Net)	5.3	21.6	31.7	25.1	10.4	12.9	12.6	11.5
MSCI Emerging Markets (Net)	7.3	19.7	26.0	17.7	2.6	4.9	6.2	6.0
<b>Real Estate</b>								
MSCI/REALPAC Canada Quarterly Property Fund	-0.2	0.6	-2.0	-1.3	4.1	5.9	5.1	6.2
Global Real Estate Fund Index (GREFI) (USD)*	-0.3	-3.8	-6.4	-6.7	-0.4	2.6	2.3	4.4
<b>Fixed Income</b>								
FTSE Canada Universe Bond	4.7	4.3	12.9	5.5	-0.1	-0.9	0.6	2.3
FTSE Canada Long Term Overall Bond	5.7	2.2	17.3	5.2	-2.8	-4.2	-1.7	2.4
FTSE Canada 91 Day TBill	1.2	3.8	5.1	4.8	3.5	2.6	2.3	1.6
<b>Consumer Price Index</b>								
Canadian CPI, unadjusted	-0.2	1.8	1.6	2.7	4.1	4.2	3.4	2.5

### Canadian Equities

The S&P/TSX Composite Index returned +10.5% in the third quarter of 2024. All 11 sectors produced positive returns. The best performing sectors were Real Estate (+23.0%), Financials (+17.0%), and Utilities (+16.6%), while Industrials (+2.7%) and Energy (+2.0%) were the worst performers. Value stocks outperformed growth over the third quarter (15.2% vs 6.3%) and year-to-date (20.6% vs 14.1%). The S&P/TSX Composite Index returned +17.2% year-to-date. All sectors except Comm. Serv. (-2.3%) produced positive returns, with Materials (+27.5%) and Financials (+22.0%) leading.

### U.S. Equities

The S&P 500 Index returned +4.5% in Canadian dollar terms in the third quarter. All sectors except Energy (-3.6%) produced positive returns. The best performing sectors were Utilities (+17.8%) and Real Estate (+15.7%). In Q3, value stocks outperformed growth stocks. Year-to-date, the S&P 500 Index returned +25.1% in Canadian dollar terms, with Utilities (+33.8%), Info Tech (+33.5%), and Comm. Serv. (+32.0%) leading.

### Non-North American Equities

The MSCI EAFE Index returned +5.9% in Canadian dollar terms in the third quarter. The top performing sectors included Real Estate (+15.8%) and Utilities (+13.5%), while Energy (-7.0%) and Info Tech (-3.7%) trailed. Year-to-date, the index returned +15.8% in Canadian dollar terms, with Financials (+26.8%), Industrials (+20.0%) and Comm. Serv. (+19.5%) leading, while Energy (-0.1%) trailed.

### Canadian Fixed Income

The Canadian investment grade bond market, as measured by the FTSE Canada Universe Bond Index, returned +4.7% over the quarter. Provincial bonds (+5.0%) outperformed Corporate (+4.7%) and Federal bonds (+4.3%). From a term perspective, long-term bonds (+5.7%) outperformed both medium-term bonds (+5.4%) and short-term bonds (+3.4%). Year-to-date, the index returned 4.3% with Corporate bonds (+5.9%) ahead of the index, and Provincial bonds (+3.5%) and Federal bonds (+3.9%) trailed the index. From a term perspective, medium-term bonds (+5.1%) outperformed short-term bonds (+5.0%) and long-term bonds (+2.2%) year-to-date.

\* Lagged one quarter.

Returns for periods greater than one year are annualized. Sector returns are sourced from MSCI.



# Asset Allocation & Performance

As of 30 September 2024

	Allocation	Performance (%)							
	Market Value (\$000)	1 Quarter	Year To Date	1 Year	2 Years	3 Years	4 Years	5 Years	10 Years
<b>OPSEU Pension Plan</b>	<b>208,500</b>	<b>6.5 (26)</b>	<b>12.6 (46)</b>	<b>21.8 (39)</b>	<b>15.2 (38)</b>	<b>6.1 (64)</b>	<b>7.9 (67)</b>	<b>7.5 (73)</b>	<b>6.8 (82)</b>
<i>OPSEU Plan Benchmark</i>		<i>6.5 (26)</i>	<i>12.6 (47)</i>	<i>21.8 (39)</i>	<i>15.2 (38)</i>	<i>6.1 (68)</i>	<i>7.9 (67)</i>	<i>7.4 (75)</i>	<i>6.7 (86)</i>
Value Added		0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
<b>Special Investment Fund</b>	<b>2,514</b>	<b>6.4 (29)</b>	<b>11.0 (83)</b>	<b>20.0 (75)</b>	<b>13.1 (90)</b>	<b>5.0 (86)</b>	<b>6.4 (90)</b>	<b>6.3 (92)</b>	<b>5.9 (96)</b>
<i>Benchmark</i>		<i>6.5 (29)</i>	<i>11.0 (83)</i>	<i>20.1 (74)</i>	<i>13.1 (89)</i>	<i>5.0 (85)</i>	<i>6.4 (90)</i>	<i>6.2 (93)</i>	<i>5.9 (97)</i>
Value Added		-0.1	0.0	-0.1	0.0	0.0	0.0	0.1	0.0

Parentheses contain percentile rankings



# Calendar Year Performance

As of 30 September 2024

	2023	2022	2021	2020	2019	2018	2017	2016
<b>OPSEU Pension Plan</b>	<b>11.9 (31)</b>	<b>-9.2 (65)</b>	<b>11.9 (71)</b>	<b>9.0 (59)</b>	<b>15.9 (38)</b>	<b>-2.8 (65)</b>	<b>8.8 (56)</b>	<b>7.8 (37)</b>
<i>OPSEU Plan Benchmark</i>	<i>12.0 (31)</i>	<i>-9.4 (70)</i>	<i>11.8 (72)</i>	<i>8.8 (61)</i>	<i>15.8 (39)</i>	<i>-3.0 (69)</i>	<i>8.7 (56)</i>	<i>7.9 (37)</i>
Value Added	-0.1	0.2	0.1	0.2	0.1	0.2	0.1	-0.1
<b>Special Investment Fund</b>	<b>10.6 (64)</b>	<b>-9.3 (68)</b>	<b>9.7 (95)</b>	<b>8.7 (61)</b>	<b>14.2 (72)</b>	<b>-2.4 (49)</b>	<b>7.3 (76)</b>	<b>7.6 (44)</b>
<i>Benchmark</i>	<i>10.7 (57)</i>	<i>-9.3 (70)</i>	<i>9.6 (95)</i>	<i>8.6 (62)</i>	<i>14.3 (71)</i>	<i>-2.6 (55)</i>	<i>7.3 (76)</i>	<i>7.6 (44)</i>
Value Added	-0.1	0.0	0.1	0.1	-0.1	0.2	0.0	0.0

# Comparative Performance

As of 30 September 2024

	1 Quarter	Year To Date	1 Year	2 Years	3 Years	4 Years Ending Sep-2024	4 Years Ending Sep-2023	4 Years Ending Sep-2022	4 Years Ending Sep-2021
<b>Canadian Equities</b>									
TDAM Emerald Canadian Equity Index	10.6 (33)	17.3 (41)	26.8 (40)	17.8 (43)	9.5 (76)	13.9 (74)	7.4 (69)	6.8 (58)	9.9 (35)
<i>S&amp;P/TSX Composite</i>	10.5 (33)	17.2 (42)	26.7 (40)	17.8 (44)	9.5 (76)	13.9 (75)	7.3 (71)	6.7 (58)	9.7 (38)
Value Added	0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.2
<b>U.S. Equities</b>									
TDAM Emerald Pooled U.S. Index	4.5 (54)	25.1 (31)	36.2 (36)	27.6 (37)	14.4 (27)	16.5 (38)	11.9 (35)	8.9 (33)	16.9 (42)
<i>S&amp;P 500 (CAD)</i>	4.5 (53)	25.1 (31)	36.2 (36)	27.7 (36)	14.3 (27)	16.5 (38)	12.0 (35)	8.8 (34)	16.8 (42)
Value Added	0.0	0.0	0.0	-0.1	0.1	0.0	-0.1	0.1	0.1
<b>U.S. Equities Hedged</b>									
TDAM Emerald Hedged U.S. Equity Index PFT II	5.5 (39)	21.4 (59)	34.9 (43)	27.6 (37)	10.7 (77)	15.1 (58)	10.1 (59)	5.7 (84)	15.0 (55)
<i>S&amp;P 500 (Hedged)</i>	5.5 (38)	21.3 (59)	34.8 (43)	27.5 (37)	10.7 (78)	15.1 (59)	10.1 (59)	5.7 (84)	15.0 (55)
Value Added	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0
TDAM Emerald Hedged Synthetic U.S. Equity Index	5.4 (39)	21.0 (61)	34.4 (44)	27.1 (41)	10.4 (81)	14.8 (63)	9.8 (64)	5.5 (85)	14.7 (57)
<i>S&amp;P 500 (Hedged)</i>	5.5 (38)	21.3 (59)	34.8 (43)	27.5 (37)	10.7 (78)	15.1 (59)	10.1 (59)	5.7 (84)	15.0 (55)
Value Added	-0.1	-0.3	-0.4	-0.4	-0.3	-0.3	-0.3	-0.2	-0.3
<b>International Equities</b>									
TDAM Emerald International Equity Index	5.9 (54)	15.8 (62)	24.7 (55)	24.2 (50)	7.9 (51)	10.6 (52)	5.1 (72)	0.0 (63)	6.9 (54)
<i>MSCI EAFE (Net)</i>	5.9 (54)	15.8 (62)	24.7 (56)	24.1 (52)	7.8 (53)	10.5 (54)	5.0 (74)	-0.2 (66)	6.7 (56)
Value Added	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.2	0.2

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.



# Comparative Performance

As of 30 September 2024

	1 Quarter	Year To Date	1 Year	2 Years	3 Years	4 Years Ending Sep-2024	4 Years Ending Sep-2023	4 Years Ending Sep-2022	4 Years Ending Sep-2021
<b>Fixed Income</b>									
TDAM Emerald Canadian Bond Index	4.7 (82)	4.3 (99)	12.9 (95)	5.6 (100)	-0.1 (100)	-0.9 (100)	-2.2 (100)	0.4 (93)	3.6 (91)
<i>FTSE Canada Universe Bond</i>	4.7 (82)	4.3 (99)	12.9 (95)	5.5 (100)	-0.1 (100)	-0.9 (100)	-2.2 (100)	0.4 (92)	3.6 (91)
Value Added	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
<b>Short-Term Investments</b>									
TDAM Emerald Short-Term Index	1.3 (25)	4.0 (8)	5.5 (6)	5.1 (14)	3.7 (49)	2.8 (53)	1.9 (48)	1.2 (32)	1.4 (11)
<i>FTSE Canada 91 Day TBill</i>	1.2 (68)	3.8 (85)	5.1 (85)	4.8 (90)	3.5 (99)	2.6 (100)	1.7 (97)	1.0 (100)	1.1 (100)
Value Added	0.1	0.2	0.4	0.3	0.2	0.2	0.2	0.2	0.3



Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.

# Summary of Investment Objectives

## Plan Information

Mandate	Comments	Recommendations
<b>OPSEU Pension Plan<sup>1</sup></b>	<ul style="list-style-type: none"> <li>• The OPSEU Pension Plan returned 6.5% for the quarter ending 30 September 2024, ranking in the 31<sup>th</sup> percentile among Aon’s universe of balanced funds.</li> <li>• All index funds tracked their respective indices as expected.</li> <li>• No material negative influences.</li> </ul>	<ul style="list-style-type: none"> <li>▪ No action is required.</li> </ul>
<b>Special Investment Fund</b>	<ul style="list-style-type: none"> <li>• The Special Investment Fund returned 6.4% for the quarter ending 30 September 2024, ranking in the 35<sup>th</sup> percentile among Aon’s universe of balanced funds.</li> <li>• All index funds tracked their respective indices as expected.</li> <li>• No material negative influences.</li> </ul>	<ul style="list-style-type: none"> <li>▪ No action is required.</li> </ul>

# Statement of Disclosure

Aon Solutions Canada Inc. reconciles the rates of return with each investment manager quarterly. Aon Solutions Canada Inc. calculates returns from the custodian/trustee statements while the managers use different data sources. Occasionally discrepancies occur because of differences in computational procedures, security prices, "trade date" versus "settlement date" accounting, etc. We monitor these discrepancies closely and find that they generally do not tend to persist over time. However, if a material discrepancy arises or persists, we will bring the matter to your attention after discussion with your money manager.

*This report may contain slight discrepancies due to rounding in some of the calculations. All data presented is in Canadian dollars unless otherwise stated.*

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# Trent University

Investment Monitoring Report  
Executive Summary  
For the quarter ending September 30, 2024





# Executive Summary



# Market Highlights

As at September 30, 2024

- The third quarter of 2024 was marked by continued rate reductions by major central banks and resulting positive investor sentiment. The Bank of Canada (BoC) cut its key policy rate twice during Q3. The cuts were in response to cooling inflation and softer economic growth. Similarly, the U.S. Federal Reserve cut its policy rate by 0.50% over the quarter. Central banks are now signaling that their focus has shifted to supporting economic growth rather than solely targeting inflation control.
- Equity markets globally were even stronger compared to the prior quarter's strong performance albeit with higher volatility. A key differentiating factor this quarter was the shift in sector leadership from large-cap AI-driven stocks to value-oriented sectors. Canadian equities benefited from this rotation, with the Financials sector becoming the largest contributor to the S&P/TSX Composite Index's strong performance. Consequently, Canadian markets outperformed most developed equity markets globally.
- In Fixed Income markets, government bond yields declined globally, leading to positive returns for most major fixed income indices in Q3. Yield curve inversion in both Canada and the U.S. also lessened. The short end of the Canadian curve fell following the Bank of Canada's rate cuts, whereas in the U.S., short-term yields declined by a larger degree than the longer-term yields.

Market Returns as of September 30, 2024						
	<u>QTR</u>	<u>YTD</u>	<u>1-Year</u>	<u>2-Year</u>	<u>3-Year</u>	<u>4-Year</u>
<b>FTSE Canada 91-day T-Bill</b>	1.2%	3.8%	5.1%	4.8%	3.5%	2.6%
<b>FTSE Canada Short Term</b>	3.4%	5.0%	9.3%	5.4%	1.7%	1.3%
<b>FTSE Canada Mid Term</b>	5.4%	5.1%	13.8%	5.8%	0.1%	-0.5%
<b>FTSE Canada Long Term</b>	5.7%	2.2%	17.3%	5.2%	-2.8%	-4.2%
<b>FTSE Canada Bond Universe</b>	4.7%	4.3%	12.9%	5.5%	-0.1%	-0.9%
<b>S&amp;P/TSX Composite</b>	10.5%	17.2%	26.7%	17.8%	9.5%	13.9%
<b>S&amp;P 500 (CAD)</b>	4.4%	24.6%	36.1%	27.8%	14.1%	16.5%
<b>MSCI ACWI (Net) (CAD)</b>	5.0%	21.8%	32.3%	26.0%	11.4%	14.0%
<b>MSCI Emerging Markets (Net) (CAD)</b>	7.5%	20.1%	26.4%	18.1%	3.0%	5.3%
<b>CPI Canada</b>	-0.1%	1.9%	1.8%	2.8%	4.1%	4.2%

# Total Fund - Gross Trailing Returns

For periods ending September 30, 2024

	Trailing period returns <sup>1</sup>							
	QTR	YTD	1 year	2 year	3 year	4 year	5 year	10 year
<b>Endowment Fund</b>	<b>4.4%</b>	<b>10.1%</b>	<b>17.2%</b>	<b>13.5%</b>	<b>5.1%</b>	<b>7.0%</b>	<b>6.8%</b>	<b>6.6%</b>
Total Fund Benchmark <sup>2</sup>	4.7%	12.3%	19.7%	14.5%	5.7%	7.4%	7.2%	7.1%
Value added	-0.3%	-2.2%	-2.5%	-1.0%	-0.6%	-0.4%	-0.4%	-0.5%
Annualized 4.6% return + CPI						8.7%		
Value added						-1.7%		

	Trailing period returns <sup>1</sup>							
	QTR	YTD	1 year	2 year	3 year	4 year	5 year	10 year
<b>Sinking Fund</b>	<b>4.3%</b>	<b>10.3%</b>	<b>17.0%</b>	<b>12.5%</b>	<b>4.7%</b>	<b>6.7%</b>	<b>6.7%</b>	--
Total Fund Benchmark <sup>2</sup>	4.7%	12.3%	19.7%	14.5%	5.7%	7.4%	7.2%	--
Value added	-0.4%	-2.0%	-2.7%	-2.0%	-1.0%	-0.7%	-0.5%	--
Annualized 4.6% return + CPI						8.7%		
Value added						-2.0%		

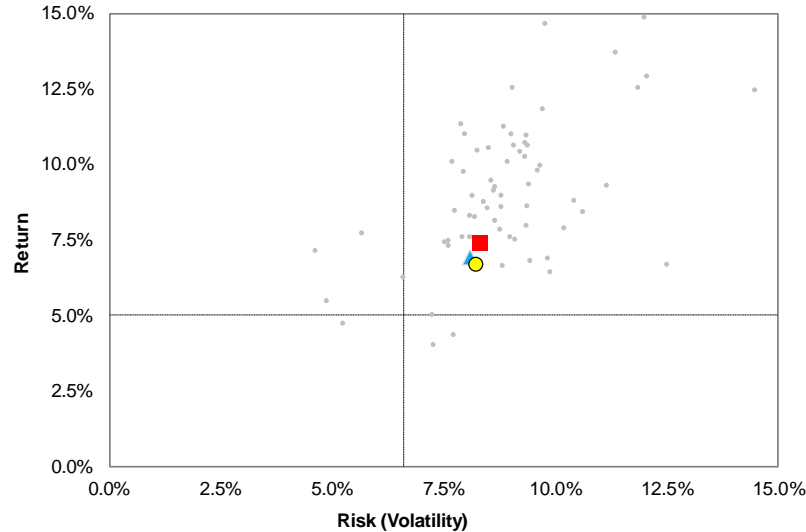
<sup>1</sup> Returns greater than one year are annualized. All return information prior to December 2020 is provided by the previous consultant, and information after December 2020 is calculated by TELUS Health from custody statements provided by CIBC Mellon.

<sup>2</sup> See Appendix for benchmark details.

# Total Fund Performance - Risk/Return Analysis<sup>1,2,3,4</sup>

For periods ending September 30, 2024

4-Year Period Ending September 30, 2024



▲ Endowment Fund    ● Sinking Fund    ■ Total Fund Benchmark

4-year period	Statistics		
	Endowment Fund	Sinking Fund	Total Fund Benchmark
Volatility	8.1%	8.2%	8.3%
Value Added	-0.5%	-0.7%	N/A
Information Ratio	-0.5	-0.7	N/A
Tracking Error	1.1%	1.0%	N/A
Downside Market Capture	101.9%	106.2%	100.0%
Upside Market Capture	96.4%	96.0%	100.0%

<sup>1</sup> Returns greater than one year are annualized. Returns are gross of fees.

<sup>2</sup> All return information prior to December 2020 is provided by the previous consultant, and information after December 2020 is calculated by TELUS Health from custody statements provided by CIBC Mellon.

<sup>3</sup> Peer comparison is the eVestment Canadian Balanced Universe.

<sup>4</sup> See Appendix for benchmark details.

# Portfolio Details

# Manager Updates

Topic	Summary
<p><b>Investment monitoring results – Quantitative</b></p>	<ul style="list-style-type: none"> <li>• Both the Endowment and Sinking Fund underperformed their respective benchmarks over the quarter and the four-year period, failing to meet their absolute return objectives of CPI + 4.6% over four years.</li> <li>• Fiera’s Canadian Equity Fund underperformed both the S&amp;P/TSX Composite Index and the median manager over the quarter. Similarly, the Mawer and Schroders global equity funds lagged the MSCI ACWI Index for the same period, with Mawer showing significant underperformance in the near term.</li> <li>• The PH&amp;N Canadian Core Plus Fund continued to outperform the FTSE Canada Universe Bond Index over both short- and long-term periods.</li> <li>• Among the Alternative Funds, the Manulife Canadian Property Portfolio fell short of its absolute return target over the quarter but outperformed the median manager. Meanwhile, the IFM Global Infrastructure Fund exceeded its target in Q3 2024.</li> <li>• Although not fully applicable to Trent University, all managers outperformed their respective benchmarks over the trailing four-year period, with the exception of the Mawer Global Equity Fund.</li> </ul>
<p><b>Investment monitoring results – Qualitative</b></p>	<ul style="list-style-type: none"> <li>• <b>Jarislowsky Fraser:</b> Antoine Potter will assume the role of Head of the Fixed Income team, while Christopher Knapp will lead the Emerging Markets team, both effective April 1, 2025. They will replace Chris Kresic and Marc Novakoff, respectively, who have announced their retirement effective March 31, 2025. Both outgoing leaders are committed to ensuring a smooth transition until their departure.</li> <li>• <b>Mawer:</b> Mawer experienced several personnel changes in their U.S. Equity team over the quarter, with Irena Petkovic joining as an Equity Analyst, while three team members departed: Equity Analysts Alexander Romanowich and Sophie Wang, as well as U.S. Equity Co-Portfolio Manager Colin Wong.</li> <li>• <b>Schroders:</b> Schroders announced personnel changes at the senior management level, including Sonia Jenkins’ promotion to Chief People Officer, Peter Harrison’s planned retirement as CEO (to be succeeded by Richard Oldfield) effective November 8, 2024, and Emma Holden’s departure as Chief People Officer in September 2024.</li> </ul>

# Total Fund - Net Trailing Returns

For periods ending September 30, 2024

	Trailing period returns <sup>1</sup>			
	QTR	YTD	1 year	2 year
<b>Endowment Fund</b>	<b>4.3%</b>	<b>9.6%</b>	<b>16.4%</b>	<b>12.7%</b>
Plan Benchmark <sup>2</sup>	4.7%	12.3%	19.7%	14.5%
Value added	-0.4%	-2.7%	-3.3%	-1.8%

	Trailing period returns <sup>1</sup>			
	QTR	YTD	1 year	2 year
<b>Sinking Fund</b>	<b>4.1%</b>	<b>9.8%</b>	<b>16.2%</b>	<b>11.7%</b>
Plan Benchmark <sup>2</sup>	4.7%	12.3%	19.7%	14.5%
Value added	-0.6%	-2.5%	-3.5%	-2.8%

<sup>1</sup> Returns are net of fees since June 2022 (active manager transition). Information is calculated by TELUS Health from custody statements provided by CIBC Mellon and investment manager statements, fee schedules, and invoices.

<sup>2</sup> See Appendix for benchmark details.

# Total Fund - Gross Calendar Year Returns

	Calendar year returns <sup>1</sup>					
	2023	2022	2021	2020	2019	2018
<b>Sinking Fund</b>	<b>10.3%</b>	<b>-9.6%</b>	<b>11.2%</b>	<b>9.5%</b>	<b>15.7%</b>	<b>-2.3%</b>
Total Fund Benchmark <sup>2</sup>	11.9%	-10.2%	11.2%	9.3%	15.7%	-2.5%
Value added	-1.6%	0.6%	0.0%	0.2%	0.0%	0.2%
<b>Endowment Fund</b>	<b>11.2%</b>	<b>-9.4%</b>	<b>11.4%</b>	<b>9.2%</b>	<b>15.7%</b>	<b>-2.3%</b>
Total Fund Benchmark <sup>2</sup>	11.9%	-10.2%	11.2%	9.3%	15.7%	-2.3%
Value added	-0.7%	0.8%	0.2%	-0.1%	0.0%	0.0%

<sup>1</sup> All return information prior to December 2020 is provided by the previous consultant, and information after December 2020 is calculated by TELUS Health from custody statements provided by CIBC Mellon.

<sup>2</sup> See Appendix for benchmark details.

# Endowment Fund Managers - Gross Returns

For periods ending September 30, 2024

	Trailing period returns <sup>1,2,3,4</sup>							
	QTR	YTD	1 year	2 year	3 year	4 year	5 year	10 year
<b>Fiera Canadian Equity</b>	9.4%	18.9%	29.6%	19.7%	13.3%	15.4%	13.1%	--
S&P/TSX Composite Index	10.5%	17.2%	26.7%	17.8%	9.5%	13.9%	10.9%	--
Value added	-1.1%	1.7%	2.9%	1.9%	3.8%	1.5%	2.2%	--
<b>Mawer Global Equity</b>	3.1%	10.2%	18.1%	19.1%	8.2%	10.6%	11.2%	12.6%
MSCI ACWI Index (Net) (CAD)	5.3%	21.6%	31.7%	25.1%	10.4%	12.9%	12.6%	11.5%
Value added	-2.2%	-11.4%	-13.6%	-6.0%	-2.2%	-2.3%	-1.4%	1.1%
<b>Schroders Global Sustainable Growth</b>	4.4%	18.0%	31.6%	26.0%	10.4%	14.0%	16.0%	15.1%
MSCI ACWI Index (Net) (CAD)	5.3%	21.6%	31.7%	25.1%	10.4%	12.9%	12.6%	11.5%
Value added	-0.9%	-3.6%	-0.1%	0.9%	0.0%	1.1%	3.4%	3.6%
<b>PH&amp;N Canadian Core Plus Bond</b>	4.8%	4.8%	13.8%	6.5%	0.5%	0.0%	2.0%	--
FTSE Canada Universe Bond Index	4.7%	4.3%	12.9%	5.5%	-0.1%	-0.9%	0.6%	--
Value added	0.1%	0.5%	0.9%	1.0%	0.6%	0.9%	1.4%	--
<b>Manulife Canadian Property Portfolio</b>	-0.1%	1.4%	-6.3%	-5.7%	4.8%	8.0%	7.8%	8.1%
6% Annual rate	1.5%	4.5%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Value added	-1.6%	-3.1%	-12.3%	-11.7%	-1.2%	2.0%	1.8%	2.1%
<b>IFM Global Infrastructure (Canada), LP</b>	3.8%	5.0%	7.4%	8.2%	9.3%	11.8%	10.5%	--
6% Annual rate	1.5%	4.5%	6.0%	6.0%	6.0%	6.0%	6.0%	--
Value added	2.3%	0.5%	1.4%	2.2%	3.3%	5.8%	4.5%	--

<sup>1</sup> Returns greater than one year are annualized.

<sup>2</sup> The Fund has been invested with Fiera, Mawer, Schroders, PH&N, and Manulife since July 2022. Returns for prior periods are presented for illustrative purposes.

<sup>3</sup> The Fund has been invested with IFM since January 2023. Returns for prior periods are presented for illustrative purposes.

<sup>4</sup> Source: Investment manager statements.



# Endowment Fund Managers - Net Returns

For periods ending September 30, 2024

	Trailing period returns <sup>1</sup>			
	QTR	YTD	1 year	2 year
<b>Fiera Canadian Equity</b>	<b>9.2%</b>	<b>18.5%</b>	<b>28.9%</b>	<b>19.1%</b>
S&P/TSX Composite Index	10.5%	17.2%	26.7%	17.8%
Value added	-1.3%	1.3%	2.2%	1.3%
<b>Mawer Global Equity</b>	<b>2.8%</b>	<b>9.5%</b>	<b>17.1%</b>	<b>18.1%</b>
MSCI ACWI Index (Net) (CAD)	5.3%	21.6%	31.7%	25.1%
Value added	-2.5%	-12.1%	-14.6%	-7.0%
<b>Schroders Global Sustainable Growth</b>	<b>4.3%</b>	<b>17.5%</b>	<b>30.9%</b>	<b>25.3%</b>
MSCI ACWI Index (Net) (CAD)	5.3%	21.6%	31.7%	25.1%
Value added	-1.0%	-4.1%	-0.8%	0.2%
<b>PH&amp;N Canadian Core Plus Bond</b>	<b>4.7%</b>	<b>4.5%</b>	<b>13.3%</b>	<b>6.0%</b>
FTSE Canada Universe Bond Index	4.7%	4.3%	12.9%	5.5%
Value added	0.0%	0.2%	0.4%	0.5%
<b>Manulife Canadian Property Portfolio</b>	<b>-0.4%</b>	<b>0.6%</b>	<b>-7.3%</b>	<b>-6.8%</b>
6% Annual rate	1.5%	4.5%	6.0%	6.0%
Value added	-1.9%	-3.9%	-13.3%	-12.8%
<b>IFM Global Infrastructure (Canada), LP</b>	<b>3.6%</b>	<b>4.5%</b>	<b>7.5%</b>	<b>8.5%</b>
6% Annual rate	1.5%	4.5%	6.0%	6.0%
Value added	2.1%	0.0%	1.5%	2.5%

<sup>1</sup> Source: Investment manager statements and invoices.

# Sinking Fund Managers - Gross Returns

For periods ending September 30, 2024

	Trailing period returns <sup>1,2,3</sup>							
	QTR	YTD	1 year	2 year	3 year	4 year	5 year	10 year
<b>Fiera Canadian Equity</b>	<b>9.4%</b>	<b>18.9%</b>	<b>29.6%</b>	<b>19.7%</b>	<b>13.3%</b>	<b>15.4%</b>	<b>13.1%</b>	--
S&P/TSX Composite Index	10.5%	17.2%	26.7%	17.8%	9.5%	13.9%	10.9%	--
Value added	-1.1%	1.7%	2.9%	1.9%	3.8%	1.5%	2.2%	--
<b>Mawer Global Equity</b>	<b>3.1%</b>	<b>10.2%</b>	<b>18.1%</b>	<b>19.1%</b>	<b>8.2%</b>	<b>10.6%</b>	<b>11.2%</b>	<b>12.6%</b>
MSCI ACWI Index (Net) (CAD)	5.3%	21.6%	31.7%	25.1%	10.4%	12.9%	12.6%	11.5%
Value added	-2.2%	-11.4%	-13.6%	-6.0%	-2.2%	-2.3%	-1.4%	1.1%
<b>Schroders Global Sustainable Growth</b>	<b>4.4%</b>	<b>18.0%</b>	<b>31.6%</b>	<b>26.0%</b>	<b>10.4%</b>	<b>14.0%</b>	<b>16.0%</b>	<b>15.1%</b>
MSCI ACWI Index (Net) (CAD)	5.3%	21.6%	31.7%	25.1%	10.4%	12.9%	12.6%	11.5%
Value added	-0.9%	-3.6%	-0.1%	0.9%	0.0%	1.1%	3.4%	3.6%
<b>PH&amp;N Canadian Core Plus Bond</b>	<b>4.8%</b>	<b>4.8%</b>	<b>13.8%</b>	<b>6.5%</b>	<b>0.5%</b>	<b>0.0%</b>	<b>2.0%</b>	--
FTSE Canada Universe Bond Index	4.7%	4.3%	12.9%	5.5%	-0.1%	-0.9%	0.6%	--
Value added	0.1%	0.5%	0.9%	1.0%	0.6%	0.9%	1.4%	--
<b>Manulife Canadian Property Portfolio</b>	<b>-0.1%</b>	<b>1.4%</b>	<b>-6.3%</b>	<b>-5.7%</b>	<b>4.8%</b>	<b>8.0%</b>	<b>7.8%</b>	<b>8.1%</b>
6% Annual rate	1.5%	4.5%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Value added	-1.6%	-3.1%	-12.3%	-11.7%	-1.2%	2.0%	1.8%	2.1%

<sup>1</sup> Returns greater than one year are annualized.

<sup>2</sup> The Fund has been invested with Fiera, Mawer, Schroders, PH&N, and Manulife since July 2022. Returns for prior periods are presented for illustrative purposes.

<sup>3</sup> Source: Investment manager statements.

# Sinking Fund Managers - Net Returns

For periods ending September 30, 2024

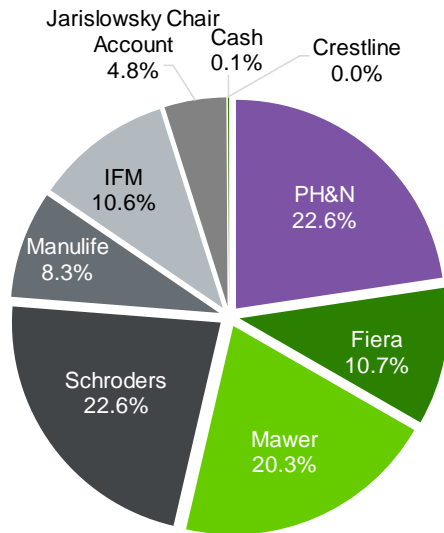
	Trailing period returns <sup>1</sup>			
	QTR	YTD	1 year	2 year
<b>Fiera Canadian Equity</b>	<b>9.2%</b>	<b>18.5%</b>	<b>28.9%</b>	<b>19.1%</b>
S&P/TSX Composite Index	10.5%	17.2%	26.7%	17.8%
Value added	-1.3%	1.3%	2.2%	1.3%
<b>Mawer Global Equity</b>	<b>2.8%</b>	<b>9.5%</b>	<b>17.1%</b>	<b>18.1%</b>
MSCI ACWI Index (Net) (CAD)	5.3%	21.6%	31.7%	25.1%
Value added	-2.5%	-12.1%	-14.6%	-7.0%
<b>Schroders Global Sustainable Growth</b>	<b>4.3%</b>	<b>17.5%</b>	<b>30.9%</b>	<b>25.3%</b>
MSCI ACWI Index (Net) (CAD)	5.3%	21.6%	31.7%	25.1%
Value added	-1.0%	-4.1%	-0.8%	0.2%
<b>PH&amp;N Canadian Core Plus Bond</b>	<b>4.7%</b>	<b>4.5%</b>	<b>13.3%</b>	<b>6.0%</b>
FTSE Canada Universe Bond Index	4.7%	4.3%	12.9%	5.5%
Value added	0.0%	0.2%	0.4%	0.5%
<b>Manulife Canadian Property Portfolio</b>	<b>-0.4%</b>	<b>0.6%</b>	<b>-7.3%</b>	<b>-6.8%</b>
6% Annual rate	1.5%	4.5%	6.0%	6.0%
Value added	-1.9%	-3.9%	-13.3%	-12.8%

<sup>1</sup> Source: Investment manager statements and fee schedules.

# Total Endowment Fund – Manager Allocation Review

As at September 30, 2024

## Breakdown by Manager<sup>1,2</sup>



By Manager	Market value	Weight
PH&N	\$24,233,060	22.6%
Fiera	\$11,433,710	10.7%
Mawer	\$21,765,268	20.3%
Schrodgers	\$24,199,593	22.6%
Manulife	\$8,895,423	8.3%
IFM	\$11,322,474	10.6%
Jarislowsky Chair Account	\$5,128,421	4.8%
Crestline	\$4,279	0.0%
Cash	\$95,002	0.1%
<b>Total</b>	<b>\$107,077,229</b>	<b>100.0%</b>

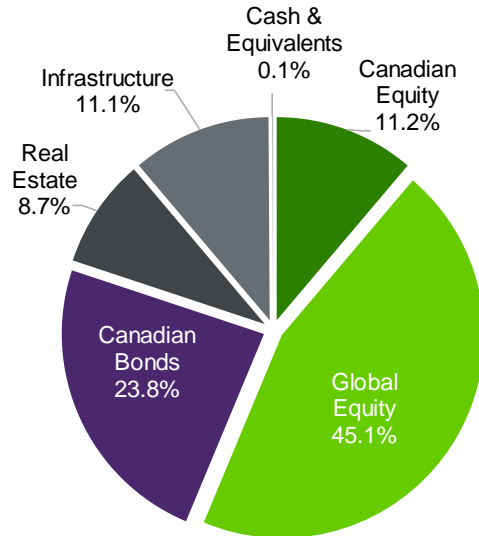
<sup>1</sup> Figures may not add to 100% due to rounding.

<sup>2</sup> Source: CIBC Mellon, Jarislowsky Fraser, IFM.

# Endowment Fund Review – Asset Allocation Review

As at September 30, 2024

## Breakdown by Asset class<sup>1,2,3</sup>



By Asset class	Market value	Weight
Canadian Equity	\$11,433,710	11.2%
Global Equity	\$45,964,861	45.1%
Canadian Bonds	\$24,233,060	23.8%
Real Estate	\$8,895,423	8.7%
Infrastructure	\$11,322,474	11.1%
Cash & Equivalents	\$95,002	0.1%
<b>Endowment (Multi-manager) total</b>	<b>\$101,944,529</b>	<b>100.0%</b>

<sup>1</sup> Figures may not add to 100% due to rounding.

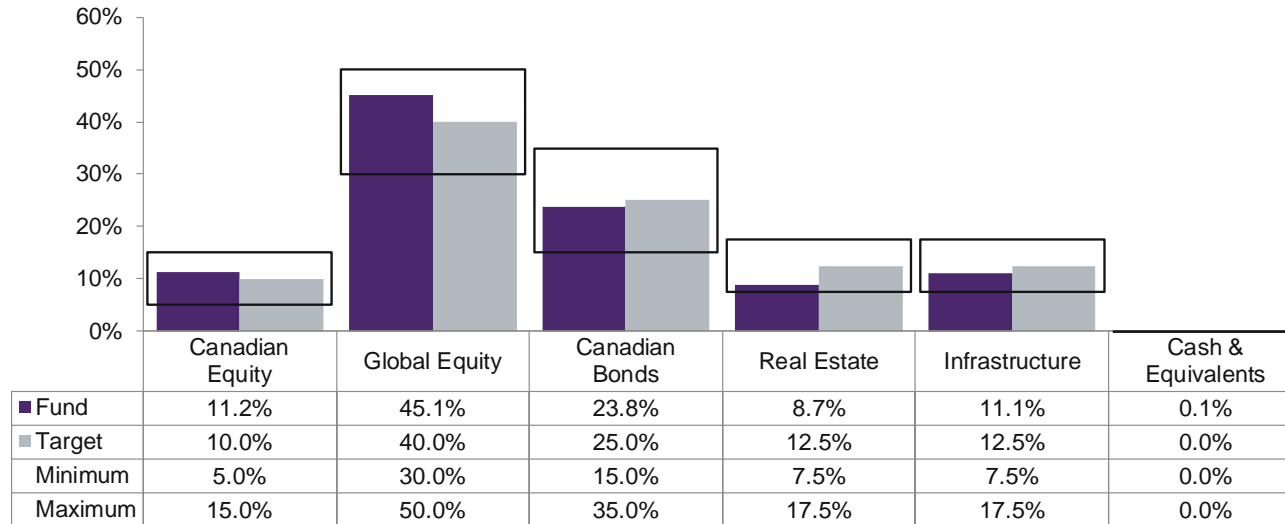
<sup>2</sup> Source: CIBC Mellon, IFM.

<sup>3</sup> Excludes Jarislowsky Fraser Chair Account and the FD Northwater Fund

# Endowment Fund – Compliance Review

As at September 30, 2024

## Asset allocation<sup>1,2</sup>



**Asset Mix for the Endowment is in compliance with the Statements of Investment Policies & Procedures (“SIP&Ps”) as of September 30, 2024**

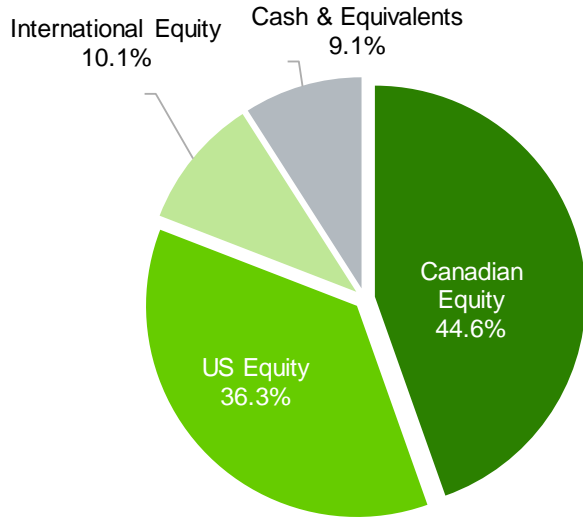
<sup>1</sup> Figures may not add to 100% due to rounding.

<sup>2</sup> Source: CIBC Mellon, Jarislowsky Fraser, IFM.

# Jarislowsky Chair Account – Asset Allocation Review

As at September 30, 2024

Breakdown by Asset class<sup>1,2</sup>



By Asset class	Market value	Weight
Canadian Equity	\$2,285,873	44.6%
US Equity	\$1,861,578	36.3%
International Equity	\$516,159	10.1%
Cash & Equivalents	\$464,811	9.1%
<b>Total</b>	<b>\$5,128,421</b>	<b>100.0%</b>

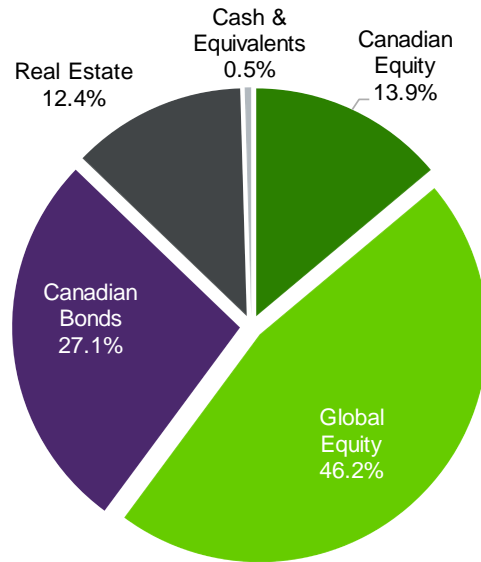
<sup>1</sup> Figures may not add to 100% due to rounding.

<sup>2</sup> Source: Jarislowsky Fraser

# Sinking Fund Review – Asset Allocation Review

As at September 30, 2024

## Breakdown by Asset class<sup>1,2</sup>



	Market value	Weight
Canadian Equity	\$590,494	13.9%
Global Equity	\$1,963,855	46.2%
Canadian Bonds	\$1,149,197	27.1%
Real Estate	\$524,830	12.4%
Infrastructure	\$0	0.0%
Cash & Equivalents	\$19,605	0.5%
<b>Total</b>	<b>\$4,247,981</b>	<b>100.0%</b>

<sup>1</sup> Figures may not add to 100% due to rounding.

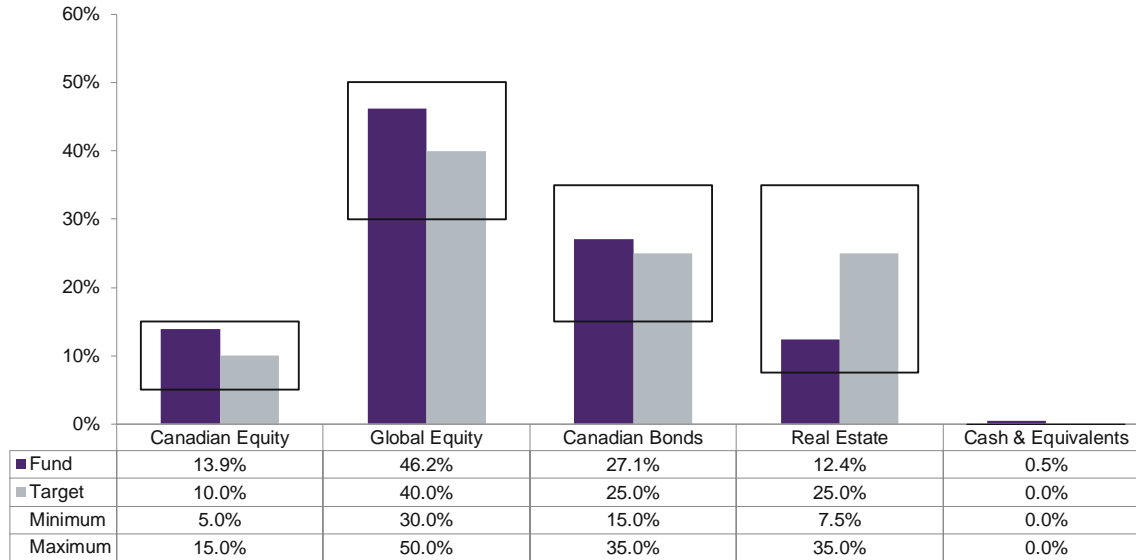
<sup>2</sup> Source: CIBC Mellon



# Sinking Fund – Compliance Review

As at September 30, 2024

## Asset allocation<sup>1,2</sup>



**Asset Mix for the Sinking Fund is in compliance with the Statements of Investment Policies & Procedures (“SIP&Ps”) as of September 30, 2024**

<sup>1</sup> Figures may not add to 100% due to rounding.

<sup>2</sup> Source: CIBC Mellon

# Appendix

# Appendix: Total Fund Benchmark Composition

From	To	S&P/TSX Composite TR Index	S&P 500 TR Index, net, C\$	S&P 500 TR Hedged Index, net, C\$	MSCI EAFE TR Index, net, C\$	MSCI ACWI TR, net, C\$	FTSE Canada Universe Bond Index	FTSE Canada 91-Day T-Bill Index	Annual Return of 6%	Total
June 30, 2022	Present	10.00%	--	--	--	40.00%	25.00%	--	25.00%	100.00%
Dec. 31, 2012	June 30, 2022	20.00%	10.00%	10.00%	20.00%	--	37.00%	3.00%	--	100.00%

# Glossary of Terms

## **Standard Deviation**

A measure of the variability of a series of returns around the average, or expected value. Typically used as a proxy for a level of risk.

## **Tracking Error**

A measure of the volatility of excess returns relative to a benchmark. It quantifies how closely a portfolio follows its benchmark index, representing the standard deviation of the difference between the portfolio's returns and the benchmark's returns.

## **Sharpe Ratio**

A metric to assess the performance of an investment compared to a risk-free asset, after adjusting for its risk. It is calculated by subtracting the risk-free rate from the return of the investment and then dividing the result by the investment's standard deviation of returns.

## **Information Ratio**

A measure of a portfolio manager's ability to generate excess returns relative to a benchmark, divided by the tracking error of the portfolio. It highlights the consistency and efficiency of generating superior returns.

## **Downside Market Capture**

A statistic that indicates how a portfolio's performance correlates with negative benchmark returns. It represents the percentage of downside movement a portfolio captures when the market declines.

## **Upside Market Capture**

A statistic that measures how a portfolio's performance correlates with positive benchmark returns. It indicates the percentage of upside movement a portfolio captures when the market rises.



## Board Report

**Session:**  Closed Session;  Open Session

**Action Requested:**  Decision;  Discussion/Direction;  Information

**To:** Board of Governors

**Date:** December 6, 2024

**Presented by:** Jennifer McGarrity, Chair Audit and Investment  
Tariq Al-idrissi, VP Finance and Administration

**Subject:** Mawer Global Equity Pooled Fund

### Motion for Consideration (if applicable):

That the Board of Governors receive this report for information.

### Executive Summary:

In 2022, Trent University adopted a new investment strategy that included investing 20% of the University's Endowment and Sinking funds into the Mawer Global Equity Fund.

In early 2025, Mawer is launching a new Global Equity Pooled Fund for new and existing eligible, tax-exempt institutional clients. The primary objective of the new fund is to be more tax efficient by providing a structure that may reduce withholding tax to 0%. The savings from this new structure are expected to be about 9 basis points and will benefit unitholders in the form of higher returns. There is the added benefit of simplifying tax administration which could reduce the administrative burden associated with reclaim applications for withholding taxes.

The new fund retains the same investment approach as the current fund in every aspect, including investment style and portfolio holdings.

The transition in early 2025 will be an in-kind transfer with the redemption of the current fund and the subscription to the new fund occurring at the same time thus avoiding transaction costs and market exposure. The market value of the investments from the current fund on the redemption date will equal the value of the subscription in the new fund but the number of units may differ. Trent will need to record the transaction as a redemption and an acquisition, recognizing the gains/losses at the date of transition for accounting purposes.

The University's investment consultant, TELUS Health, is recommended Trent proceed with the transition to the new fund.

At its November 18, 2024 meeting, the Audit and Investment Committee approved the transition to the new Mawer Global Equity Pooled Fund. Senior administration completed and submitted the necessary documentation for the transition by the deadline.

### **Analysis/Alternatives Considered:**

TELUS Health provided a summary of the new tax-efficient pooled fund with key comparisons to the current fund and recommended the transition.

A Frequently Asked Questions document prepared by Mawer for institutional clients provides further information regarding the new fund and the transition process was provided to senior management and the Audit and Investment Committee for consideration.

### **Financial Implications:**

The transition to the new Mawer Global Equity Pooled Fund is expected to be more tax efficient. Savings are estimated to be about 9 basis points, which will benefit Trent by providing higher returns.

### **Enterprise Risk Assessment:**

The Board of Governors through the Audit and Investment Committee has the responsibility of ensuring that the endowed funds donated to the University are invested to maximize the returns of the University while considering a level of acceptable risk and ESG implications. Furthermore, funds invested in the Sinking Fund need to earn sufficient returns to ensure the ability to repay the debentures upon maturity in February 2057.

### **Next Steps:**

The University completed the required documentation for the transition in early 2025.

### **Alignment with Mission, Vision, Values, Strategic Plan:**

The investment strategy of the new pooled fund remains the same as the investment approach of the current fund. Therefore, investing in the new fund is in alignment with Special Resolution II.6 - Statement of Investment Policies and Procedures – Trent University Endowment Fund and Special Resolution II.12 – Statement of Investment Policies and Procedures – Trent University Debenture Long-Term Sinking Fund. No changes will be required to the SIPPs resulting from this transition.

### **Consultation:**

The University consulted with TELUS Health (investment consultants) regarding the proposed transition.

### **Compliance with Policy/Legislation:**

This report is in compliance with The *Trent University Act, 1962-63*, section 28 – Investment of Funds.

**Committee/Board Mandate:**

The Audit & Investment Committee is responsible for monitoring results of external audits and ensuring that appropriate financial controls are in place. The Committee monitors the University's legislative compliance and maintains a watching brief on statutory and accountability requirements. The Committee is also responsible for recommending Board investment policy and for monitoring the performance of the University's investments.

In its investment role, and in compliance with regulatory and contractual requirements, the Committee reviews and recommends for the approval of the Board of Governors: investment policies and procedures, and annual distribution policies. The Board delegates to the Audit & Investment Committee responsibility for the appointment of the custodian/trustees and investment managers for the investment funds held by the University, with the requirement that such decisions be reported to the full Board in a timely manner. The Committee may also assist the administration with the selection of investment performance appraisal services. The Committee assesses and monitors risks related to its specific responsibilities for investments.

**Supporting Reference Materials (attached):**

None



## Board Report

**Session:**  Closed Session;  Open Session

**Action Requested:**  Decision;  Discussion/Direction;  Information

**To:** Board of Governors

**Date:** December 6, 2024

**Presented by:** Michael Khan, Provost and Vice President Academic

**Subject:** **Creation of New Department of Psychology at Durham GTA**

### **Motion for Consideration (if applicable)**

That the Board receive notification of a new Department of Psychology at Durham campus for information.

### **Executive Summary**

A Department of Psychology will be created at the Trent University Durham GTA campus, effective January 1, 2025. Senate approved the creation of the Department of Psychology at Durham campus at its November 26 meeting.

An academic department is a duly constituted academic administrative unit approved by Senate and the Board. As set out in the Trent Act, authority to establish and maintain academic departments at the University rests with the Senate. Authority to approve academic departments with respect to finances and facilities rests with the Board.

The Psychology program at the Durham GTA campus has grown substantially since it first started offering courses at the Durham College campus. It is the second largest program, after Business Administration. Logistically, a separate self-governed psychology department at the Durham GTA campus will strengthen the psychology program overall by allowing each department to focus on the needs of their own student population, thereby enhancing each department's growth and student retention.

### **Analysis/Alternatives Considered**

The Department has had an Associate Chair of Psychology on the Durham campus for the past three years. However, after careful consideration and consultation over a two-year period, the need for a separate department on the Durham campus was identified.

### **Financial Implications**

At this time, no additional finances are required.

### **Enterprise Risk Assessment**

There are no risk implications.

### **Next Steps**

The Department of Psychology at Durham campus is set to commence January 1, 2025.



## **Alignment with Mission, Vision, Values, Strategic Plan**

This proposal aligns with the Board of Governors' Strategic Objectives, such as campus growth in Durham, and the President's Mandate regarding academics (e.g., innovative programming and delivery methods, experiential learning, and differentiation between Durham & Symons campuses), culture (protecting and advancing the unique Trent identity), and priorities related to the quality of student experience.

## **Consultation**

The consultation process involved members of the Department of Psychology as well as the Science Decanal Council. The proposal was also shared with the Provost's Planning Group and TUFA Joint Committee. Faculty Board received the recommendation for informational purposes.

## **Compliance with Policy/Legislation**

The reporting of a new department for information complies with the Policy on Creating, Merging or Closing Academic Departments.

## **Committee/Board Mandate**

The Committee is responsible for the approval of any recommendation to create an academic department that has budgetary implications with respect to finances and facilities. In the absence of budgetary implications, the Board will be notified of the newly created academic department for information.

## **Supporting Reference Materials (attached)**

Full report submitted to Senate is attached.

## Academic Planning and Policy Report to Senate – November 26, 2024 Creation of New Department of Psychology at Durham GTA Campus

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### Recommendation

The Academic Policy and Planning Committee recommends to Senate that a new Department of Psychology be created at the Trent University Durham GTA campus.

AP&P members agreed to advance the following proposal to Senate, contingent upon two points of clarification. The following questions were directed to the Psychology department, and their responses are provided below.

1. How will faculty personnel applications, such as those related to tenure and promotion, be managed?

Response: Each department will have its own Personnel Committee responsible for managing its personnel applications.

2. Will Program Committee members from both Durham and Peterborough Departments vote on curriculum matters?

Response: Yes, members from both departments will vote on curriculum matters to determine if their respective departments support a proposed change. This will ensure that both departments have an equal say in the decision-making process, required mutual agreement on any curriculum changes.

### Documentation includes:

- Proposal for Creation of New Department

### Consultation Process

The following consultation has taken place as per the [Policy on Creating, Merging or Closing Academic Departments](#). The Department Chair at Peterborough campus and relevant faculty members were all supportive of the new department being created at Durham campus.

Committee/Group	Date	Details
PSYC faculty members	May 24, 2024	Consultations on April 21, 2023; March 1, 2024; April 2, 2024 (Peterborough faculty only); May 24, 2024 (endorsement vote)
Provost Planning Group	June 4, 2023	For Discussion
TUFA Joint Committee	August 22, 2024	For Consultation
Science Decanal Council	October 4, 2024	For Consultation
Academic Planning and Policy	October 10, 2024	For Recommendation
Senate – Notice of Motion	October 15, 2024	Required one month prior to bringing forward for approval
Faculty Board	November 22, 2024	For Information

### Next Steps

- Following Senate Approval – the Proposal will be forward to the Board of Governors for information.
- Once shared with the Board of Governors, the relevant Dean will be responsible for the Communications Plan as outlined in the Policy.

## Proposal for Separate Department of Psychology at Durham GTA Campus

<b>Name of Department</b>	Department of Psychology (Durham GTA Campus)
<b>Date Department will Commence</b>	January 1, 2025
<b>Degree Programs for which the department will be responsible</b>	Bachelor of Arts in Psychology Bachelor of Science in Psychology
<b>Requested by</b>	Wenyong Feng, Acting Dean, Trent University Durham
<b>Date of Request</b>	October 8, 2024 (original request October 31, 2022; revised May 22nd, 2024)

### 1. Rationale for the creation of a separate academic department that includes an explanation of how the separation of the academic department will assist the University in meeting one or more of its approved strategic goals.

The psychology program at the Durham GTA campus has grown substantially since it first started offering courses at the Durham College campus (and then Ontario Tech, formerly UOIT) over 40 years ago. It is the second largest program, behind Business Administration. Logistically, a separate self-governed psychology department at the Durham GTA campus would strengthen the psychology program overall by allowing each one department to focus on the needs of their own student population, thereby enhancing each department's growth and student retention. This is in line with the Board of Governors' Strategic Objectives (e.g., growth at the Durham GTA campus) and the President's Mandate with respect to academic (e.g., innovative programming and delivery methods, experiential/hands on learning, differentiation between Durham & Symons campuses), cultural (protecting and furthering the unique Trent identity), and quality of student experience priorities.

Over the past five years, the psychology program at the Durham GTA campus has grown in a small but measurable way with applied and community-based placement courses and partnerships (e.g., Autism Home Base, Ontario Shores Centre for Mental Health Sciences). This corresponds to the campus focus on community-based research, which allows a dynamic interplay of research, teaching, and learning. For example, the psychology program at the Durham GTA campus offers an applied psychological research placement in Aging that incorporates a "Living Lab" placement in the geriatric units at the Ontario Shores Centre for Mental Health Sciences. This Durham GTA only course provides psychology students with direct opportunities to apply their classroom learning in the field and reshape student attitudes towards certain populations (e.g., geriatric). With a similar objective, a Durham GTA only applied psychological placement course in Mental Health was offered in the 2023-2024 academic year with a community partner, Autism Home Base. Additional Living Lab courses are planned in other content areas (e.g., eating disorders, dementia) with community partners (e.g., Lakeridge Health).

In anticipation of a separate Durham GTA Department of Psychology, the current department will create a Program Curriculum Committee that will consist of representatives from both departments (see Motion in attached Appendix). This committee will replace the current Curriculum committee to ensure curriculum matters are dealt with at a program level (vs. departmental level). Additionally, the Durham GTA Department of Psychology would maintain the same policies, guidelines, procedures, and workload as the Peterborough Department of Psychology, as well as offer the same degrees (B.A. and B.Sc.) and stay in the Division of Science. However, the Durham GTA Department of Psychology would have a separate administrative structure (e.g., Chair) that reports to the Dean and Head of Trent Durham GTA; this formalizes a department where current Trent Durham GTA psychology faculty already report to the Dean and Head of Trent Durham GTA.

The administrative structure of a separate Durham GTA psychology department was piloted in 2022-2023 and 2023-2024 with the creation of an Associate Undergraduate Chair (Durham GTA) who sits on the Executive,

Personnel, and Curriculum committees. The new Chair of the Durham GTA Department of Psychology would co-Chair the Program Curriculum committee to ensure program continuity between the two campuses. Note that the Associate Undergraduate Chair (Durham GTA) position was supported with a 1.0 AAA to further administratively differentiate the Symon campus operations from the Durham GTA campus operations.

A separate Durham GTA psychology department would foster and facilitate the growth of innovative programming and increase student retention by providing Durham GTA psychology students with an administrative structure that is based on their campus. This in turn would contribute to the broader growth of the Durham GTA campus. Most importantly, a separate department will provide Durham GTA psychology students with a home and identity that would serve to increase student satisfaction and retention.

**2. TUFA members appointed to the separate academic department**

Note that all faculty members currently employed by the University are based at the Durham GTA campus, have been appointed to that location, and already report to the Dean and Head of the Durham GTA campus.

- Jeffrey Adams, Associate Professor (Teaching Intensive), 1.0
- Jennifer Eastabrook, Assistant Professor (Teaching Intensive), 1.0
- Ben Bauer, Associate Professor, 1.0
- Nancie Im-Bolter, Associate Professor, 1.0
- Raheleh Saryazdi, Assistant Professor, 1.0
- Brenda Smith-Chant, Associate Professor, 1.0
- Korri Bickle, 3-year LTA, 1.0

**3. Budget highlighting any new anticipated resources required, including but not limited to teaching staff, support staff, space, and infrastructure**

An operating budget was allocated to Psychology in Durham for 2024-25. As a BSc program, the Durham GTA PSYC department will require a science equipment budget; these costs will be minimal and will be covered through Durham operating.

*Space.* All currently employed faculty have required office and research space. The AAA also has an office, which also functions as a departmental office.

*Administrative Support.* A 1.0 AAA was hired in September of 2023.

*Program Enrolment.* The table below shows the current enrolment of majors and double majors as of October 14<sup>th</sup>, 2022 for the 2022-2023 academic year (the date of the original proposal).

Academic Year	Year of Study	TOTAL Majors	Single Majors	Double Majors	Most Common Double Majors		
					PSYC.CHYS	PSYC.ADMN	PSYC.SOCI
2022-2023	1 <sup>st</sup>	161	111	50	24	7	6
	2 <sup>nd</sup>	93	66	27	11	3	7
	3 <sup>rd</sup>	51	38	13	6	1	4
	4 <sup>th</sup>	43	32	13	8	2	2
	<b>Total</b>	<b>348</b>	<b>247</b>	<b>103</b>	<b>49</b>	<b>13</b>	<b>19</b>

Note that this table not only highlights the size of the Durham GTA psychology program, but also the need to provide direct leadership and focused attention to increase retention and support student needs. In particular, psychology at the Durham GTA campus has close ties to the Child and Youth Studies department and a large number of shared students. In fact, the largest number of double majors at the Durham GTA campus are PSYC.CHYS.

**Appendix (updated May 28, 2024)**

**Discussion regarding creation of a Program Curriculum Committee at a PSYC department meeting on March 1, 2024.**

**Motion presented to PSYC Department for voting via email March 4, 2024 to March 5, 2024 at 4:00pm.**

**Votes:** For (24) Against (4) Abstentions (0) **Motion passed.**

**MOTION**

In the event that a separate Durham GTA Department of Psychology is formed, a Program Curriculum Committee will be created that will consist of 8 voting members:

- Associate Chair-Undergraduate Studies from the Peterborough Department of Psychology (co-Chair of committee),
- Chair from the Durham GTA Department of Psychology (co-Chair of committee),
- two TUFA members and one undergraduate student representative from the Peterborough Department of Psychology, and
- two TUFA members and one undergraduate student representative from the Durham GTA Department of Psychology.
- Non-voting administrative staff: Program Coordinator (Peterborough) and AAA (Durham GTA).

This committee will replace the current Curriculum committee to ensure curriculum matters are dealt with at a program level (vs. departmental level). Members are to be appointed on a volunteer basis.

The Program Curriculum Committee will bring curriculum matters to both departments in a Joint Departments Meeting (held at the beginning of a Peterborough Department of Psychology meeting) for discussion and approval by both departments. If the majority of faculty in each department agree with a proposed motion, the motion is considered approved.

The Research Experiences Sub-Committee (SONA) will remain as part of the Program Curriculum Committee. However, each department will form their own Departmental Research Ethics Committee.

**Discussion regarding a Separate Department of Psychology at the Durham GTA Campus at a PSYC department meeting planned for May 24, 2024.**

**Motion for endorsement of proposal (below) at the PSYC department meeting on May 24, 2024.**

**Votes:** For (18) Against (1) Abstentions (2) **Motion passed.**

**MOTION**

To endorse the proposal to create a new Durham GTA Department of Psychology, as outlined in the Proposal dated October 31, 2022 (original request, last revision May 22nd, 2024).



## Board Report

**Session:**  Closed Session;  Open Session

**Action Requested:**  Decision;  Discussion/Direction;  Information

**To:** Board of Governors

**Date:** December 6, 2024

**Presented by:** Michael Khan, Provost and Vice President Academic

**Subject:** **Revisions to Course Syllabus Policy**

### **Motion for Consideration (if applicable)**

That the Board receive notification of revisions to the Course Syllabus Policy for information.

### **Executive Summary**

In the process of updating the Course Syllabus Policy, the University received a Directive on the Costs of Education Material from the Ministry of Colleges and Universities that mandated that universities disclose, to students, the costs of all textbooks and learning materials for each course.

The Course Syllabus Policy was revised to include this requirement, in addition to minor revisions that bring this policy up-to-date with current practice.

Senate approved the Policy at its October 15, 2024 meeting.

### **Analysis/Alternatives Considered**

This is a mandatory requirement; no alternatives were considered.

### **Financial Implications**

None.

### **Enterprise Risk Assessment**

There is an associated risk, as the University is required to report on the compliance rate.

### **Next Steps**

The standardized template has been updated through the Syllabus Builder on myTrent, and as part of the annual reporting requirement, the percentage of course syllabuses that include the costs of textbooks and learning materials will be monitored.

## **Alignment with Mission, Vision, Values, Strategic Plan:**

Not applicable.

## **Consultation**

Based on minimal revisions, the policy was reviewed by the deans and the Provost's Planning Group. The Academic Planning and Policy Committee approved the Policy to move forward to Faculty Board, and to Senate for final approval.

## **Compliance with Policy/Legislation**

This revision takes place in response to Bill 166, and the Ministry of Colleges and Universities' *Directive on the Costs of Educational Material*, issued by the Ministry of Colleges and Universities, issued August 16, 2024. The recent Strengthening Accountability and Student Supports Act, 2024, along with amendments to the MTCU Act, now mandates that universities disclose, to students, the costs of all textbooks and learning materials for each course.

## **Committee/Board Mandate**

The Board will be informed of changes to policies when they are revised to comply with legislative requirements.

## **Supporting Reference Materials (attached)**

- Revised Course Syllabus Policy – relevant text is marked in red



## Course Syllabus Policy

<b>Category:</b>	Academic – Students, Teaching, Faculty
<b>Approval:</b>	Senate
<b>Approval Date:</b>	November 26, 2024; initial approval Dec 2006
<b>Responsibility:</b>	Office of the Provost & VP Academic

### Definitions

'Syllabus' (plural 'syllabi') in this policy means a requisite document that provides information about a course that meets the requirements of the University.

### Scope

This policy applies to all academic credit courses offered by the University.

### Policy Statement

All courses offered by the University shall have a syllabus approved by the academic unit responsible for the course (i.e., department, program, school).

Course instructors are responsible for the preparation of and adherence to their syllabi in accordance with University regulations, policies and guidelines.

Course instructors are responsible for the submission of syllabi for their assigned courses to their Chair by deadlines in accordance with University regulations, policies and guidelines.

Chairs are responsible for the review and approval of syllabi in accordance with University regulations, policies and guidelines.

Deans are responsible for ensuring syllabi are compliant with University regulations, policies and guidelines.

Approved course syllabi will be archived in the Course Syllabus Catalogue.

Syllabi shall include the following information:

- course title
- year offered
- campus location
- course instructor name and contact information
- academic unit name and contact information
- course delivery format and meeting times
- course description and learning outcomes



- schedule of topics and activities
- course readings, texts and other materials including costs
- assessments, examinations and evaluation (grading) scheme
- course fees, if any
- course guidelines.

Syllabi shall include relevant University policy statements as required by Senate (e.g., Academic Integrity, Access to Instruction; Sharing and Distribution of Course Content; Student Absenteeism, Missed Tests and Examinations).

### **Academic Regulations and Review of Syllabus with Students**

Each course has a syllabus which includes the method of assessment and the grading scheme. In some cases, an instructor may judge that certain regulations are inappropriate for a particular course, and may seek a formal exemption by the Dean. Any exemptions from relevant regulations, policies and guidelines must be approved by the Dean. Any such exemptions will be noted in the approved course syllabus.

The instructor reviews the syllabus with the students at the first class in the course. The instructor may not change the grading scheme without the consent of all students attending the class. A vote may be held in the class following an instructor's announcement that they wish to change the grading scheme. For online asynchronous courses, a vote may be held online over a reasonable period after ensuring that advance notice has been given. Any changes must be reported to the department/program and the dean. Changes to the grading scheme that are to the benefit of all students in the course do not require student agreement.

### **Related Regulations, Policies & Guidelines**

- Academic Calendar – Undergraduate
- Academic Calendar - Graduate
- Course Syllabus Guidelines (Deans Offices)
- Undergraduate Academic Integrity Policy
- Graduate Academic Integrity Policy

### **Policies Superseded by This Policy**

None



## Board Report

**Session:**  Closed Session;  Open Session

**Action Requested:**  Decision;  Discussion/Direction;  Information

**To:** Board of Governors

**Date:** December 6, 2024

**Presented by:** Jennifer McGarrity, Chair Audit and Investment  
Tariq Al-idrissi, VP Finance and Administration

**Subject:** **2023/2024 Audited Staff Pension Plan Financial Statements**

### **Motion for Consideration (if applicable):**

That the Board of Governors approve the Financial Statements of the Contributory Pension Plan for Employees Represented by OPSEU Local 365 and Exempt Administrative Staff of Trent University (Registration Number 0310409) dated June 30, 2024.

### **Executive Summary:**

KPMG LLP conducted the external audit of the University's contributory defined benefit pension plan for employees represented by OPSEU Local 365 and Exempt Administrative Staff (the Plan) in October 2024. In their opinion, the financial statements present fairly, in all material respects, the financial position of the Plan as at June 30, 2024, and the changes in net assets available for benefits, and the changes in the pension obligation for the year then ended in accordance with Canadian accounting standards for pension plans.

The attached audited financial statements remain in draft until the final audit procedures are completed, including obtaining the Board of Governors approval of the statements, and receiving the signed management representation letter. It is expected that the statements will be finalized and dated on December 6, 2024, the date of the next Board meeting.

Materiality was established at \$1.8 million (2023 – \$1.7 million) for the Plan, with a posting threshold of \$90,000 (2023 – \$85,000). The auditors did not identify any adjustments or differences which remain uncorrected, nor did they identify any corrected misstatements in the financial statements. Furthermore, KPMG LLP did not identify any significant deficiencies in internal control over financial reporting.

As at June 30, 2024, the Plan had net assets available for benefits of \$196.1 million and a pension obligation of \$196.6 million resulting in a deficiency of \$0.5 million.

## Analysis/Alternatives Considered:

The Plan's financial statements are prepared in accordance with Canadian accounting standards for pension plans and are presented on a going concern basis. These statements present the financial position of the Plan as a separate financial reporting entity independent of the University as the sponsor of the Plan and the members.

The following summarizes the financial position of the Plan as at June 30, 2024:

Net Assets Available for Benefits	\$196,080,227
Pension Obligation	\$196,627,429
<b>Deficiency of Net Assets Available for Benefits over Pension Obligation</b>	<b>\$(547,202)</b>
Increase (Decrease) in Net Assets Available for Benefits	\$19,685,766
Decrease (Increase) in Pension Obligation	\$(9,758,796)
<b>Decrease (Increase) in Deficiency from Prior Year</b>	<b>\$ 9,926,970</b>

## Financial Implications:

### Statement of Changes in Net Assets Available for Benefits:

The most recent actuarial valuation filed with the Financial Services Regulatory Authority of Ontario (FSRA) for this Plan was dated July 1, 2022. The University's current service cost for the year was 9.84%, comparable to the prior year at 9.88%. The employee contributions rate remained unchanged at 9.8% of salaries, which commenced the first full pay period in July 2020. The increase in both of these amounts relative to last year relates to the increase in member salaries and wages.

Special payments pursuant to a filed valuation are effective twelve months after the valuation date. The University's special going concern payments required during the period July 1, 2023 to June 30, 2024 decreased from \$1,258,008 (based on July 2021 valuation) to \$1,070,856 (based on July 2022 valuation). The University will continue to use a Standby Letter of Credit for annual solvency special payments (see below).

Retirement benefits paid in 2023/2024 represent 15 retirements offset by 10 deaths with 2 survivor pensions. In comparison, there were 16 retirements offset by 11 deaths with 1 survivor pension in 2022/2023.

In the current year, there were 39 termination payouts, which were smaller in amount as they were for shorter service. Last year, there were 46 termination payouts, a few of which were substantial amounts due to long-term service.

Investment management fees represent fees paid to TDAM.

Actuarial and pension administration fees increased compared to last year due in large part to the substantial work preparing for the Plan's transition to the UPP on January 1, 2025. Also, many members are asking for a quote on purchasing contract service once they become eligible to join the Plan. The volume of both retirements and termination

calculations decreased (35 terminations and 15 retirements compared to 41 terminations and 16 retirements last year).

Trustee fees are based on market value and number of transactions in accordance with the fee structure implemented in May 2014. Yearly regulator fees of \$2,500 and a 3% increase in COLA annually are also included in these fees.

Audit fees are estimated based on the fees proposed by the external auditor, KPMG LLP.

Legal fees are related to the work currently in progress on the transition to the UPP.

Consulting fees represent the monthly monitoring fees and related expenses paid to Aon.

Administration and registration fees represent payroll and benefit costs for the Pension Coordinator, monthly payroll processing, charges for annual indexing letters to retirees and fees paid to FSRA.

#### Pension Obligation:

The pension obligation is actuarially determined based on the actuarial projection of the July 1, 2023 annual valuation results. The assumptions used in determining the actuarial value were developed by reference to expected long-term market conditions. The long-term actuarial assumptions used include a discount rate of 5.50%, an inflation rate of 2.00%, and a salary escalation rate of 3.75% (all unchanged from 2022/2023).

The July 1, 2022 actuarial valuation filed resulted in a going concern unfunded liability of \$9,064,089 and a solvency deficit of \$9,771,087. Beginning July 1, 2023, annual going concern special payments of \$1,070,856 are required for ten years.

Originally issued in May 2021, the University is using a Standby Letter of Credit to cover the special solvency payments required until such time as the University transitions the Plan to the University Pension Plan (target date of conversion is January 1, 2025). This Standby letter of Credit was amended and extended in June 2022, June 2023 and June 2024. It has a cumulative amount of \$2,706,106 to December 31, 2024 and will expire on conversion to the UPP.

The next required actuarial valuation filing year for the Plan is July 1, 2025. With the conversion to the UPP expected January 1, 2025, the regular filed valuation will be replaced with a special valuation on conversion.

#### **Enterprise Risk Assessment:**

An external audit of the Plan provides full assurance to the users of the financial statements that the Plan's accounting records are fair, complete, and in adherence with generally accepted accounting principles, industry standards and regulatory requirements. An external audit process ensures the University's internal controls, processes, guidelines and policies are adequate, effective, and in compliance with governmental requirements, industry standards, and company policies, and that reporting mechanisms prevent material errors in financial statements.

### **Next Steps:**

As part of the ongoing administration of pension plans registered in Ontario, the *Pension Benefits Act* requires the audited financial statements of the registered pension plan be filed with FSRA on an annual basis within six months of the plan year end.

### **Alignment with Mission, Vision, Values, Strategic Plan:**

To fulfill their responsibilities, Governors should be informed of the Plan's financial situation. The report on the Plan's Audited Financial Statements provides Governors with awareness of the Plan's current financial status and allows for input and oversight where needed.

### **Consultation:**

The external audit of the Plan's financial statements was conducted by KPMG LLP. The Pension valuation information was provided by AON, including the pension obligation at June 30, 2024 based on the liability rolled forward from the July 1, 2023 valuation.

### **Compliance with Policy/Legislation:**

In accordance with *The Trent University Act, 1962-63*, section 31, the accounts of the Plan shall be audited at least once a year by an auditor appointed by the Board of Governors. The financial statements of the Plan have been prepared by management in accordance with Canadian accounting standards for pension plans.

### **Committee/Board Mandate:**

The Audit & Investment Committee is responsible for monitoring results of external audits and ensuring that appropriate financial controls are in place. The Committee monitors the University's legislative compliance and maintains a watching brief on statutory and accountability requirements.

In its audit role, the Committee:

- Receives reports on the results of the pension external audit, reviews the independence of the auditors and meets with the external auditors privately at least once per year;
- Reviews and recommends for Board approval the annual pension plan financial statements;
- May make recommendations concerning internal financial controls, request additional reports from the administration or auditors on matters of concern, or may require a meeting with legal counsel to seek advice on a major audit-related issue; and
- Will assess and monitor risks related to its responsibilities for audit and statutory compliance matters.

### **Supporting Reference Materials (attached):**

Appendix A: Audited Financial Statements of the Plan – DRAFT dated October 3, 2024

Financial Statements of

**THE CONTRIBUTORY PENSION PLAN  
FOR EMPLOYEES REPRESENTED BY OPSEU LOCAL 365  
AND EXEMPT ADMINISTRATIVE STAFF OF  
TRENT UNIVERSITY  
(Registration Number 0310409)**

June 30, 2024

**DRAFT v1 October 3, 2024**

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**Appendix C – Expected Form of Report**

**INDEPENDENT AUDITOR’S REPORT**

To the Board of Governors of Trent University

**Opinion**

We have audited the financial statements of the Contributory Pension Plan for Employees Represented by OPSEU Local 365 and Exempt Administrative Staff of Trent University (the Plan), which comprise:

- the statement of financial position as at June 30, 2024
- the statement of changes in net assets available for benefits for the year then ended
- the statement of changes in pension obligation for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Plan as at June 30, 2024, and the changes in its net assets available for benefits and the changes in pension obligation for the year then ended in accordance with Canadian Accounting standards for pension plans.

**Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “**Auditor’s Responsibilities for the Audit of the Financial Statements**” section of our auditor’s report.

We are independent of the Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Accounting standards for pension plans, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Plan’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Plan or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Plan's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Plan to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

(date)

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**THE CONTRIBUTORY PENSION PLAN  
FOR EMPLOYEES REPRESENTED BY OPSEU LOCAL 365 AND  
EXEMPT ADMINISTRATIVE STAFF OF TRENT UNIVERSITY**  
**Statement of Financial Position**  
June 30, 2024

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Contributions receivable		
Members	\$ 338,884	\$ 429,033
University	429,269	537,370
Investments (note 3)	<u>195,814,453</u>	<u>176,598,874</u>
	<b>196,582,606</b>	<b>177,565,277</b>
<b>LIABILITIES</b>		
Accrued fees, expenses and benefit payments	<u>502,379</u>	<u>1,170,816</u>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<b>196,080,227</b>	<b>176,394,461</b>
<b>PENSION OBLIGATION</b> (note 7)	<u>196,627,429</u>	<u>186,868,633</u>
<b>DEFICIENCY OF NET ASSETS AVAILABLE FOR BENEFITS OVER PENSION OBLIGATION</b>	<u>\$ (547,202)</u>	<u>\$ (10,474,172)</u>

*Solvency deficit obligations - note 8*

*The accompanying notes are an integral part of the financial statements.*

Approved by the Board of Governors

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Governor

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Governor

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**THE CONTRIBUTORY PENSION PLAN  
FOR EMPLOYEES REPRESENTED BY OPSEU LOCAL 365 AND  
EXEMPT ADMINISTRATIVE STAFF OF TRENT UNIVERSITY  
Statement of Changes in Net Assets Available for Benefits  
Year Ended June 30, 2024**

	<u>2024</u>	<u>2023</u>
<b>INCREASE IN ASSETS</b>		
Contributions		
Employer current service contributions	\$ 4,446,730	\$ 3,773,297
Members' current service contributions	4,425,544	3,743,603
Members' past service contributions	157,849	556,354
Employer special payments	<u>1,070,856</u>	<u>1,258,008</u>
	<u>10,100,979</u>	<u>9,331,262</u>
Investment income		
Interest	2,539,194	2,102,800
Dividends	<u>3,280,741</u>	<u>2,423,606</u>
	5,819,935	4,526,406
Net realized investment gains	3,638,117	1,073,552
Current year change in fair value of investments	<u>10,326,635</u>	<u>11,605,893</u>
	<u>19,784,687</u>	<u>17,205,851</u>
	<u>29,885,666</u>	<u>26,537,113</u>
<b>DECREASE IN ASSETS</b>		
Benefits paid		
Retirement benefits paid	8,455,007	8,291,653
Death benefits, withdrawal refunds and transfers	671,547	1,739,866
Administrative expenses		
Investment management fees	102,905	98,523
Actuarial and pension administration fees	588,699	385,582
Trustee fees	68,272	77,748
Audit fees	10,620	9,910
Legal fees	205,855	96,378
Consulting fees	35,139	33,466
Administration and registration fees (note 10)	85,341	79,423
HST rebate	<u>(23,485)</u>	<u>(21,359)</u>
	<u>10,199,900</u>	<u>10,791,190</u>
<b>NET INCREASE IN ASSETS AVAILABLE FOR BENEFITS</b>	<b>19,685,766</b>	<b>15,745,923</b>
<b>NET ASSETS AVAILABLE FOR BENEFITS - beginning of year</b>	<b><u>176,394,461</u></b>	<b><u>160,648,538</u></b>
<b>NET ASSETS AVAILABLE FOR BENEFITS - end of year</b>	<b><u>\$ 196,080,227</u></b>	<b><u>\$ 176,394,461</u></b>

*The accompanying notes are an integral part of the financial statements.*

**DRAFT**

**THE CONTRIBUTORY PENSION PLAN  
FOR EMPLOYEES REPRESENTED BY OPSEU LOCAL 365 AND  
EXEMPT ADMINISTRATIVE STAFF OF TRENT UNIVERSITY  
Statement of Changes in Pension Obligation  
Year Ended June 30, 2024**

	<u>2024</u>	<u>2023</u>
<b>CHANGE IN PENSION OBLIGATION</b>		
Interest on accrued benefits	<b>\$ 10,314,574</b>	\$ 9,849,847
Net experience loss (gain)	<b>1,000,942</b>	(6,737,573)
Indexation loss (gain)	<b>263,000</b>	(320,000)
Current service cost	<b>7,298,951</b>	6,569,895
Benefits paid, refunds and transfers	<b>(9,748,671)</b>	(10,016,047)
Provision for Adverse Deviation loss	<b>630,000</b>	612,000
Change in actuarial assumptions loss	<u>-</u>	<u>3,559,000</u>
<b>NET INCREASE IN PENSION OBLIGATION</b>	<b>9,758,796</b>	3,517,122
<b>PENSION OBLIGATION - beginning of year</b>	<u>186,868,633</u>	<u>183,351,511</u>
<b>PENSION OBLIGATION - end of year</b>	<u><b>\$ 196,627,429</b></u>	<u><b>\$ 186,868,633</b></u>

*The accompanying notes are an integral part of the financial statements.*

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**THE CONTRIBUTORY PENSION PLAN  
FOR EMPLOYEES REPRESENTED BY OPSEU LOCAL 365 AND  
EXEMPT ADMINISTRATIVE STAFF OF TRENT UNIVERSITY**  
**Notes to the Financial Statements**  
June 30, 2024

**1. DESCRIPTION OF PLAN**

The following description of the Contributory Pension Plan for Employees Represented by OPSEU Local 365 and Exempt Administrative Staff of Trent University (the Plan) is provided for general information purposes only. For more complete information reference should be made to the Plan Agreement.

**(a) General**

The Plan is a mandatory contributory defined benefit pension plan for eligible employees represented by Ontario Public Service Employees Union (OPSEU) and exempt administrative staff of Trent University and is registered under the *Pension Benefits Act of Ontario*: Registration Number 0310409.

Under the Plan, contributions are made by eligible employees and staff upon commencement of employment, and by eligible hourly paid employees after three months service at Trent University. Limited term employees shall be eligible to become members at the time it is known that the duration of their employment will exceed two years.

**(b) Funding**

*The Pension Benefits Act of Ontario* requires that Trent University, as the Plan sponsor, must fund the benefits determined under the Plan. The determination of the value of these benefits is made on the basis of a periodic actuarial valuation.

**(c) Retirement benefits**

A pension is available based on years of pensionable service and final average earnings. An early retirement pension is available from age 55, in which case reduced pension benefits are payable. Retirement from the Plan may be postponed until December 1 of the year in which the member's 71st birthday occurs.

**(d) Death benefits**

Death benefits are payable on the death of a contributor before retirement, and may be available on the death of a pensioner depending on the pension option chosen by the member prior to retirement.

**(e) Withdrawal refunds and transfers**

Upon application and subject to Provincial legislation and lock-in provisions, withdrawal refunds and transfers, with interest on contributions, are payable when a contributor ceases to be employed by Trent University. Alternatively, a fully vested deferred pension may be elected.

**(f) Income taxes**

The Contributory Pension Plan for Employees Represented by OPSEU Local 365 and Exempt Administrative Staff of Trent University is a Registered Pension Trust as defined in the *Income Tax Act* and is not subject to income taxes.

**DRAFT**

**THE CONTRIBUTORY PENSION PLAN  
FOR EMPLOYEES REPRESENTED BY OPSEU LOCAL 365 AND  
EXEMPT ADMINISTRATIVE STAFF OF TRENT UNIVERSITY**  
**Notes to the Financial Statements**  
June 30, 2024

**2. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of presentation**

These financial statements are prepared by management in accordance with Canadian accounting standards for pension plans. The financial statements present the aggregate financial position of the Plan as a separate financial reporting entity, independent of the employer and Plan members. They are prepared to assist Plan members and others in reviewing the activities of the Plan for the period but they do not portray the funding requirements of the Plan or the benefit security of individual Plan members.

In selecting or changing accounting policies that do not relate to its investment portfolio or pension obligations, the Plan has chosen to comply on a consistent basis with Canadian accounting standards for private enterprises (ASPE) in Part II of the CPA Canada Handbook - Accounting.

These financial statements are presented in Canadian dollars.

**(b) Investments**

Investments are stated at fair value. In determining fair values, adjustments have not been made for transaction costs as they are not considered to be significant. Realized investment gains net of realized investment losses are recorded as revenue in the year the security is sold. The change in the difference between the fair value and cost of investments at the beginning and end of each year is reflected in the Statement of Changes in Net Assets Available for Benefits as the current year change in fair value of investments.

The fair value of pooled funds is based on their year-end net asset value, which represents the market value of the underlying financial instruments. Pooled funds also include non-Canadian funds.

**(c) Contributions**

Contributions for current service are recorded in the year in which the related payroll costs are incurred. Contributions for past service are recorded in the year received.

**(d) Benefits paid and members' withdrawals**

Benefits include payments to retired members made during the year and accrual, if any, for unpaid but earned benefits as at year end. Members' withdrawals are recorded in the period in which the member has opted for payment.

**(e) Fair value of other financial assets and liabilities**

The carrying values of all other financial assets and liabilities approximate their fair market values due to the short term nature of these amounts.

**DRAFT**

**THE CONTRIBUTORY PENSION PLAN  
FOR EMPLOYEES REPRESENTED BY OPSEU LOCAL 365 AND  
EXEMPT ADMINISTRATIVE STAFF OF TRENT UNIVERSITY**  
**Notes to the Financial Statements**  
**June 30, 2024**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(f) Fair value measurement**

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

The Plan has categorized its assets and liabilities that are carried at fair value on a recurring basis, based on significance of the inputs to the valuation techniques used to measure fair value, into a fair value hierarchy. Financial assets and liabilities measured at fair value are categorized as follows:

Level 1: Fair value is based on unadjusted quoted prices in active markets for identical unrestricted assets or liabilities.

Level 2: Fair value is based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Fair value is based on valuation techniques that require one or more significant unobservable inputs or the use of broker quotes. These unobservable inputs reflect the Plan's assumptions about the market participants in pricing assets or liabilities.

**(g) Investment income**

Investment income, which is reported on an accrual basis, includes interest income, dividends and distributions from pooled fund investments. Distributions from pooled fund investments include the Plan's proportionate share of interest and dividends.

**(h) Translation of foreign currencies**

Transactions in foreign currencies are recorded at the rates of exchange in effect on transaction dates. Investments denominated in foreign currencies and held at year-end are translated at exchange rates in effect at June 30. The resulting gains and losses have been included in the current year change in fair value of investments.

**(i) Use of estimates**

The preparation of financial statements in accordance with Canadian accounting standards for pension plans and ASPE requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements. Significant management estimates include the actuarial assumptions underlying the pension obligation calculation. Actual results could differ from those estimates.

**(j) Pension obligation**

The pension obligation is determined based on actuarial valuations prepared by an independent firm of actuaries using the projected benefit method pro-rated on service and management's long-term best estimate assumptions of future experience. The year-end value of pension obligations is based on the most recent going-concern actuarial valuation extrapolated to the reporting date using management's best estimate assumptions (note 7).

**DRAFT**

**THE CONTRIBUTORY PENSION PLAN  
FOR EMPLOYEES REPRESENTED BY OPSEU LOCAL 365 AND  
EXEMPT ADMINISTRATIVE STAFF OF TRENT UNIVERSITY**  
Notes to the Financial Statements  
June 30, 2024

**3. INVESTMENTS**

The assets of the Plan are comprised as follows:

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Cash, notes and treasury bills	\$ 7,496,215	\$ 7,500,024	\$ 6,859,015	\$ 6,837,228
Canadian fixed income funds	79,746,475	71,250,844	72,882,795	64,085,732
Canadian equity funds	54,176,450	58,548,131	52,966,686	52,899,034
International equity funds	55,059,687	58,515,454	54,881,388	52,776,880
	<b>\$ 196,478,827</b>	<b>\$ 195,814,453</b>	<b>\$ 187,589,884</b>	<b>\$ 176,598,874</b>

**4. FAIR VALUE DISCLOSURE**

Financial instruments recorded at fair value on the Statement of Financial Position are classified using a fair value hierarchy that relates the significance of the inputs used in making the measurements. See note 2(f) for a description of the Plan's policies regarding the hierarchy.

The following fair value hierarchy table presents information about the Plan's investments measured at fair value as at June 30, 2024 and 2023.

	Investments at Fair Value as at June 30, 2024			
	Level 1	Level 2	Level 3	Total
Cash, notes and treasury bills	\$ 7,500,024	\$ -	\$ -	\$ 7,500,024
Canadian fixed income funds	-	71,250,844	-	\$ 71,250,844
Canadian equity funds	-	58,548,131	-	\$ 58,548,131
International equity funds	-	58,515,454	-	\$ 58,515,454
	<b>\$ 7,500,024</b>	<b>\$ 188,314,429</b>	<b>\$ -</b>	<b>\$ 195,814,453</b>

	Investments at Fair Value as at June 30, 2023			
	Level 1	Level 2	Level 3	Total
Cash, notes and treasury bills	\$ 6,837,228	\$ -	\$ -	\$ 6,837,228
Canadian fixed income funds	-	64,085,732	-	64,085,732
Canadian equity funds	-	52,899,034	-	52,899,034
International equity funds	-	52,776,880	-	52,776,880
	<b>\$ 6,837,228</b>	<b>\$ 169,761,646</b>	<b>\$ -</b>	<b>\$ 176,598,874</b>



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**THE CONTRIBUTORY PENSION PLAN  
FOR EMPLOYEES REPRESENTED BY OPSEU LOCAL 365 AND  
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June 30, 2024

**5. RISK MANAGEMENT**

The Board of Governors has approved a Statement of Investment Policies and Procedures (SIP&P) that provides a framework of guidelines and procedures for managing the Plan's assets. The SIP&P is prepared in accordance with applicable legislation and is reviewed annually by the Board of Governors. The SIP&P was last amended on June 25, 2021. Compliance with the SIP&P is monitored on a quarterly basis.

The Plan invests in assets that expose it to a range of investment risks to earn a higher rate of return than would be achieved without incurring investment risk. Investment risk and return objectives are established to determine an appropriate asset mix policy, strategic ranges for asset classes, and diversification policies. Relevant factors include the investment time horizon, expected return and volatility of various asset classes, the regulatory environment, liquidity needs, and other Plan specific factors.

**(a) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate. Market risk comprises three types of risk: currency risk, interest rate risk and price risk. The Plan's exposure to market risk arises from its investment in different types of assets. The vast majority of the Plan's investments expose it to some form of market risk, however, the degree of risk varies considerably among different investments. One of the key ways that the Plan manages market risk is through appropriate diversification.

**(i) Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Plan is exposed to currency risk through its investment in financial instruments denominated in currencies other than the Canadian dollar. Fluctuations in the currency value compared to the Canadian dollar impact on the increase or decrease in the investment fair value or cash flows. Currency risk is managed through diversification among currencies, SIP&P guidelines that limit foreign currency denominated securities, and use of currency hedging. Currency hedging reduces risk by reducing the volatility from the Plan's holdings of foreign currency denominated investments through use of currency future and forward contracts.

The Plan's exposure to foreign currencies, net of currency hedging strategies, at fair value is shown below:

	As at June 30, 2024		
	Foreign Currency Exposure	Hedged Amounts	Net Exposure
United States	\$ 29,196,426	\$ 14,601,503	\$ 14,594,923
Other	29,319,028	-	29,319,028
	<u>\$ 58,515,454</u>	<u>\$ 14,601,503</u>	<u>\$ 43,913,951</u>

**DRAFT**

**THE CONTRIBUTORY PENSION PLAN  
FOR EMPLOYEES REPRESENTED BY OPSEU LOCAL 365 AND  
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Notes to the Financial Statements  
June 30, 2024

**5. RISK MANAGEMENT (continued)**

**(i) Currency risk (continued)**

	As at June 30, 2023		
	Foreign Currency Exposure	Hedged Amounts	Net Exposure
United States	\$ 26,453,049	\$ 13,234,481	\$ 13,218,568
Other	26,323,831	-	26,323,831
	<u>\$ 52,776,880</u>	<u>\$ 13,234,481</u>	<u>\$ 39,542,399</u>

As at June 30, 2024, if the Canadian dollar had strengthened or weakened by 10% in relation to all foreign currencies, with all other variables held constant, the Plan's net assets available for benefits would have increased or decreased respectively, by approximately \$5.9 million (2023 - \$5.3 million).

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Pension liabilities also contain a significant component of interest rate risk. The Plan's interest rate risk exposure arises due to any mismatches between the interest rate sensitivity of the assets and the liabilities. The Plan's fixed income investments are used to partially hedge the Plan's interest rate risk.

The value of the Plan's assets is affected by short-term changes in nominal and real interest rates. As at June 30, 2024, had prevailing interest rates increased or decreased by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, the Plan's investments in fixed income securities would have decreased or increased by approximately \$5.1 million (2023 - \$4.7 million), approximately 2.6% (2023 - 2.7%) of total net assets available for benefits.

With respect to pension obligations, as at June 30, 2024 and holding inflation and salary escalation assumptions constant, a 1% reduction in the assumed long-term rate of return would result in an increase in pension obligations, measured on a going concern basis, of approximately 15.2% (2023 - 14.8%). A 1% increase in the assumed long-term rate of return would result in a decrease in pension obligations, measured on a going concern basis, of approximately 12.1% (2023 - 11.8%).

**DRAFT**

**THE CONTRIBUTORY PENSION PLAN  
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June 30, 2024

**5. RISK MANAGEMENT (continued)**

**(iii) Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Plan's exposure to price risk results from its holdings of domestic and foreign pooled funds.

As all of the Plan's investments are carried at fair value with fair value changes recognized in the Statement of Changes in Net Assets Available for Benefits, all changes in market conditions will directly result in an increase (decrease) in net assets available for benefits.

The most significant exposure to market price risk for the Plan arises from investments in equity securities. If equity prices on the respective stock exchanges for these securities had increased or decreased by 10% as at June 30, 2024, with all other variables held constant, the net assets available for benefits of the Plan would have increased or decreased, respectively, by approximately \$11.7 million (2023 - \$10.6 million), or approximately 6.0% (2023 - 6.0%) of net assets available for benefits.

The following table provides information on the Plan's price risk:

	2024			
	TD Emerald Canadian Equity Index Fund %	TD Emerald Pooled US Equity Fund %	TD Emerald Hedged US Equity Pooled Fund %	TD Emerald International Index Equity Fund %
Communication services	3.05	9.34	9.36	4.08
Consumer discretionary	3.54	9.95	9.96	11.46
Consumer staples	4.26	5.77	5.76	8.48
Energy	18.06	3.65	3.65	4.13
Financials	30.65	12.41	12.42	19.99
Health care	0.28	11.72	11.71	13.48
Industrials	14.05	8.13	8.15	16.89
Information technology	8.22	32.45	32.43	9.54
Materials	12.10	2.16	2.17	6.75
Real Estate	2.03	2.15	2.15	2.04
Utilities	3.76	2.26	2.24	3.14
Other	-	0.01	-	0.02
	100.00	100.00	100.00	100.00

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**THE CONTRIBUTORY PENSION PLAN  
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Notes to the Financial Statements  
June 30, 2024

**5. RISK MANAGEMENT (continued)**

**(iii) Price risk (continued)**

	2023			
	TD Emerald Canadian Equity Index Fund %	TD Emerald Pooled US Equity Fund %	TD Emerald Hedged US Equity Pooled Fund %	TD Emerald International Index Equity Fund %
Communication services	4.20	8.40	8.40	4.13
Consumer discretionary	3.93	10.66	10.67	12.58
Consumer staples	4.22	6.67	6.65	10.08
Energy	16.65	4.12	4.12	4.21
Financials	30.65	12.42	12.50	18.25
Health care	0.26	13.41	13.41	13.15
Industrials	13.71	8.49	8.41	16.22
Information technology	7.86	28.27	28.28	8.22
Materials	11.69	2.50	2.49	7.43
Real Estate	2.39	2.49	2.49	2.26
Utilities	4.44	2.57	2.58	3.47
	100.00	100.00	100.00	100.00

**(b) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Plan's main exposure to credit risk comes from its investments in debt instruments.

Credit risk is managed through limits on minimum credit rating requirements and limits on investing in the securities of a single issuer and its related companies. All credit quality ratings must be rated by a recognized rating agency. The maximum credit exposure of the Plan is represented by the fair value of the investments as presented in the Statement of Financial Position.

The following table provides the breakdown of the Plan's fixed income portfolio by credit ratings from various rating agencies:

	2024 %	2023 %
Credit rating		
AAA	41.09	38.91
AA	32.38	33.30
A	15.62	17.16
B-BBB	10.83	10.54
Cash	0.08	0.09
	100.00	100.00

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**THE CONTRIBUTORY PENSION PLAN  
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**5. RISK MANAGEMENT (continued)**

**(c) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Plan is exposed to liquidity risk through its accrued pension benefits and investment commitments. The Plan manages short-term liquidity through forecasting its requirements to maintain its financial obligations as they become due. Liquidity risk is managed by limits on investments in illiquid asset classes and limits on holdings of certain types of investments.

The Plan's objective is to have sufficient liquidity to meet its liabilities when due. The Plan monitors its cash balances and cash flows generated from operations to meet its requirements. The Plan's liabilities reflected in these financial statements have contractual short term maturities and are subject to normal trade terms.

As at June 30, 2024, accrued fees, expenses and benefit payments payable are due within one year.

**6. STATUTORY INFORMATION**

As required by the *Pension Benefits Act of Ontario*, individual investments which exceed 1% of the cost or fair value of the Trust Fund's investments are summarized as follows:

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Cash and cash equivalents				
Cash	\$ 656,490	\$ 656,506	\$ 739,041	\$ 739,049
TD Emerald Canadian Short Term Investment Fund	6,839,725	6,843,518	6,119,974	6,098,179
Fixed income funds				
TD Emerald Canadian Bond Pooled Fund	79,746,475	71,250,844	72,882,795	64,085,732
Equity funds				
TD Emerald Canadian Equity Index Fund	54,176,450	58,548,131	52,966,686	52,899,034
TD Emerald Hedged US Equity Pooled Fund	18,467,095	14,601,503	16,709,718	13,234,481
TD Emerald International Equity Index Fund	26,177,911	29,319,028	26,255,516	26,323,831
TD Emerald Pooled US Equity Fund	10,414,681	14,594,923	11,916,154	13,218,568
Individual investments less than 1% of the cost or fair value of the fund	-	-	-	-
	<u>\$ 196,478,827</u>	<u>\$ 195,814,453</u>	<u>\$ 187,589,884</u>	<u>\$ 176,598,874</u>

**DRAFT**

**THE CONTRIBUTORY PENSION PLAN  
FOR EMPLOYEES REPRESENTED BY OPSEU LOCAL 365 AND  
EXEMPT ADMINISTRATIVE STAFF OF TRENT UNIVERSITY**  
**Notes to the Financial Statements**  
**June 30, 2024**

**7. PENSION OBLIGATION**

The pension obligation is actuarially determined by the Plan's actuary, Aon, using the projected benefit method prorated on services, and reflects Plan management's best estimates regarding assumptions about a number of future events, including salary escalation, retirement ages or employees and other actuarial factors.

The actuarial present value of benefits as at June 30, 2024 is based on an actuarial projection of a valuation as at July 1, 2023. The assumptions used in determining the actuarial value of accrued pension benefits were developed by reference to expected long-term market conditions. Significant long-term actuarial assumptions used in the most recent valuation are a discount rate of 5.50% (2023 - 5.50%), an inflation rate of 2.00% (2023 - 2.00%), and a salary escalation rate of 3.75% (2023 - 3.75%).

**8. SOLVENCY DEFICIT OBLIGATIONS**

The most recent actuarial valuation filed with the Financial Services Regulatory Authority of Ontario dated July 1, 2022 resulted in a going concern unfunded liability of \$9,064,089 and a solvency deficit of \$9,771,087. This valuation performed at July 1, 2022 was performed in accordance with the general Regulations of the Act.

Beginning July 1, 2023, Trent University, as the Plan sponsor, is required to make payments in respect of the going concern unfunded liability at a rate of \$1,070,856 per year for ten years.

The University has received government approval to use a Standby Letter of Credit to cover all or part of any required special solvency payments until such time as the University transitions to a jointly sponsored pension plan. In May 2021, the University issued a Standby Letter of Credit to cover special solvency payments for the period July 2021 to June 2022. In June 2022, University amended and extended the Standby Letter of Credit to cover special solvency payments for the period July 2022 to June 2023.

In June 2023 the University amended and extended the Standby Letter of Credit to reflect the permitted lower special solvency payments for the period July 2023 to June 2024 pursuant to the July 2022 funding valuation and in accordance with Schedule IV, Section 4 (2.1) of the Regulation. This Standby Letter of Credit was amended for a final time in June 2024 to cover special solvency payments for the period July 2024 to December 2024. This Standby Letter of Credit has a cumulative amount of \$2,706,106.

In February 2023, the University and OPSEU Local 365 entered into a Memorandum of Agreement pursuant to which OPSEU agreed to consent to the merger of the Plan into the University Pension Plan (UPP) on behalf of its members, with an anticipated conversion date of January 1, 2025. The UPP is a jointly sponsored multi-employer pension plan established July 1, 2021 for the university sector. In May 2023, the Board of Governors authorized the University to proceed with the transfer of the assets and liabilities to the UPP. The members' consent process was successfully completed in December 2023 and the conversion has been approved by the UPP and the UPP Joint Sponsors. The required applications were filed with the Financial Services Regulatory Authority (FSRA) in April 2024 and approved by FSRA in August 2024. The University will fund any going concern pension liability transferred into the UPP as calculated using actuarial assumptions at the date of conversion in accordance with the terms and conditions of the Transfer Agreement entered into with the Joint Sponsors of the UPP. After joining the UPP, the University will no longer be required to make special payments in respect of solvency and the Standby Letter of Credit will expire.

**DRAFT**

**THE CONTRIBUTORY PENSION PLAN  
FOR EMPLOYEES REPRESENTED BY OPSEU LOCAL 365 AND  
EXEMPT ADMINISTRATIVE STAFF OF TRENT UNIVERSITY**  
**Notes to the Financial Statements**  
**June 30, 2024**

**9. CAPITAL DISCLOSURES**

The Plan's objective in managing capital is to preserve the net assets available for pension benefits for its membership. The Board of Governors is responsible for the operation and administration of the Plan. Managing capital takes into account capital requirements provided in the terms of the Plan and applicable legislation with the *Pension Benefits Act of Ontario* and the *Income Tax Act*.

The Plan's capital is comprised of the net assets available for benefits. The Plan's risks are defined in note 5 as are the Board of Governors risk management strategies. A trust company holds the assets under a Trust Agreement and provides daily administration of the Plan. Professional investment managers administer the portfolio.

An independent actuarial valuation for funding purposes is used to measure the financial well-being of the Plan. The objective of monitoring the Plan's capital is to ensure the Plan is fully funded to pay the Plan benefits over the long term.

The actuary tests the Plan's ability to meet its obligations to all Plan members and beneficiaries. Using an assumed rate of return, the actuary projects the Plan's benefits on a going-concern basis to estimate the current value of the liability, which it compares to the sum of the Plan assets and the present value of all future contributions. The result of the comparison is either a surplus or a deficit. As part of the funding valuation, the actuary also performs a measurement of the Plan's assets and liabilities on a solvency basis, which simulates the wind-up of the Plan.

An actuarial valuation for funding purposes is required to be filed with the pension regulator at least every three years. The most recent actuarial valuation performed by the actuary and funded position is disclosed in note 8.

At June 30, investments for each asset class were as follows:

	2024			
	Minimum %	Maximum %	Benchmark %	Actual %
Canadian equities	20.0	40.0	30.0	29.9
United States equities	12.5	17.5	15.0	14.9
Non-North American equities	12.5	17.5	15.0	15.0
Total equities	45.0	75.0	60.0	59.8
Bonds	26.5	46.5	36.5	36.4
Cash	-	10.0	3.5	3.8
Total fixed income	26.5	56.5	40.0	40.2
Total			100.0	100.0

**DRAFT**

**THE CONTRIBUTORY PENSION PLAN  
FOR EMPLOYEES REPRESENTED BY OPSEU LOCAL 365 AND  
EXEMPT ADMINISTRATIVE STAFF OF TRENT UNIVERSITY**  
Notes to the Financial Statements  
June 30, 2024

**9. CAPITAL DISCLOSURES (continued)**

	2023			
	Minimum %	Maximum %	Benchmark %	Actual %
Canadian equities	20.0	40.0	30.0	30.0
United States equities	12.5	17.5	15.0	15.0
Non-North American equities	12.5	17.5	15.0	14.9
Total equities	45.0	75.0	60.0	59.8
Bonds	26.5	46.5	36.5	36.3
Cash	-	10.0	3.5	3.9
Total fixed income	26.5	56.5	40.0	40.2
Total			100.0	100.0

The SIP&P articulates the Plan's overall investment return objective which is a minimum of 3.75% net of expenses measured over rolling four-year periods. The performance of investment managers is assessed regularly compared to the relevant benchmarks.

**10. RELATED PARTY TRANSACTIONS**

The Sponsor, Trent University, provides certain administrative services to the Plan. The cost to the Plan for these services included in the Statement of Changes in Net Assets Available for Benefits for the year ended June 30, 2024 was \$74,067 (2023 - \$68,735) being the exchange amount agreed to by the parties.





## Board Report

**Session:**  Closed Session;  Open Session

**Action Requested:**  Decision;  Discussion/Direction;  Information

**To:** Board of Governors

**Date:** December 6, 2024

**Presented by:** Jennifer McGarrity, Chair Audit and Investment  
Tariq Al-idrissi, VP Finance and Administration

**Subject:** **Special Resolution II.13 – Short Term Cash Investment Policy**

### **Motion for Consideration (if applicable):**

That the Board of Governors approve the revisions to the Special Resolution II.13 – Short Term Cash Investment Policy, as presented.

### **Executive Summary:**

The University's Short Term Cash Investment Policy first introduced in December 2019 and revised in January 2020 has been reviewed. The following provides a summary of the proposed revisions resulting from this review:

- Classifying it as a special resolution for consistency with all other Board policies;
- The scope section has been expended to provide further clarification as to what excess cash balances are and are not governed by this Policy;
- Amended references to investments with terms of maturity "of less than 1 year" to "1 year or less" – the current policy states rules for investments less than 1 year and greater than 1 year, but not for investments that are 1 year in length;
- Updated position titles and the name of one of the credit rating agencies listed; and
- Minor housekeeping edits.

### **Analysis/Alternatives Considered:**

Financial Services monitors the University's cash balances on a regular basis. Excess cash (excluding restricted funds from externally funded trust, research and fundraising) not required for immediate operations is periodically invested in permitted short-term investments when it is deemed that the rate of return, net of fees, exceeds the rate of return earned on the current account bank balance. Varying maturity terms are selected to ensure liquidity should some or all of the excess cash be required for operations or to meet obligations as they become due.

### **Financial Implications:**

The proposed amendments to the Policy do not have any financial implications.

### **Enterprise Risk Assessment:**

Investment of excess cash not required for immediate operations poses very little risk but provides an opportunity for additional interest revenue for the University. Investments shall remain sufficiently liquid in order to meet all reasonably anticipated operating and capital requirements and shall preserve the original capital while attaining a competitive rate of return.

### **Next Steps:**

Upon approval by the Board of Governors, the University's policy library will be updated with the revised policy.

### **Alignment with Mission, Vision, Values, Strategic Plan:**

The proposed policy is aligned with the University's strategic direction to ensure the University is financially healthy and sustainable.

### **Consultation:**

The proposed revisions to the Short Term Cash Management Policy were appropriately vetted with all University stakeholders for feedback, as required for all policy development and review.

### **Compliance with Policy/Legislation:**

In accordance with The *Trent University Act, 1962-63*, section 28 – Investment of Funds, the funds of the University not immediately required for its purposes and the proceeds of all property that come into the hands of the Board, subject to any trust or trusts affecting them, may be invested and re-invested from time to time in such investments as the Board in its absolute discretion, deems meet.

### **Committee/Board Mandate:**

The Audit & Investment Committee is responsible for monitoring results of external audits and ensuring that appropriate financial controls are in place. The Committee monitors the University's legislative compliance and maintains a watching brief on statutory and accountability requirements. The Committee is also responsible for recommending Board investment policy and for monitoring the performance of the University's investments.

In its investment role, and in compliance with regulatory and contractual requirements, the Committee reviews and recommends for the approval of the Board of Governors: investment policies and procedures, and annual distribution policies. The Board delegates to the Audit & Investment Committee responsibility for the appointment of the custodian/trustees and investment managers for the investment funds held by the University, with the requirement that such decisions be reported to the full Board in a timely manner. The Committee may also assist the administration with the selection of investment performance appraisal services. The Committee assesses and monitors risks related to its specific responsibilities for investments.

### **Supporting Reference Materials (attached):**

Appendix A: Short Term Cash Investment Policy – with track changes



## Board Special Resolution II.13:

# Short Term Cash Investment Policy

**Category:** Board of Governors

**Approval:** Board of Governors

**Responsibility:** Associate Vice-President, Finance

**Approval Date:** December 6, 2024~~19~~; Revised January 28, 2020, October 31, 2023 (housekeeping)

### Purpose/Reason for Policy:

The purpose of the policy is to establish guidelines, which will facilitate effective management of Trent University's cash balances. In the course of operations, the University accumulates cash balances, which fluctuate during the fiscal year. Although the funds are committed for specific purposes, the use of the committed funds is not always immediate and thus significant cash balances can accumulate. It is desirable that the University both protect and optimize the investment earnings on excess cash balances; therefore, the excess funds not immediately required for operations should be invested with appropriate security, liquidity and diversification constraints.

### Scope of this Policy:

~~The rules below do not include~~ The policy applies to excess cash balances on operating and capital funds.

This policy does not apply to restricted funds (externally funded research, trust and fundraising).

Endowment or Pension Funds, ~~which~~ are governed ~~covered~~ by a separate Investment Policies overseen by the Audit & Investment Committee of the Board of Governors.

### Policy Statement:

The Board of Governors is responsible for assets invested by the University. Responsibility for investment management of short-term investments has been delegated to the Financial Services Department, under the direction of the Associate Vice-President, Finance.

The Financial Services Department will:

- i. Invest the excess cash funds in accordance with this Policy and related Procedures
- ii. Provide reports regarding past performance and compliance with the Policy;
- iii. Manage cash flow to meet liquidity needs;
- iv. Liaise with the Investment Managers, ~~Agent~~ and Custodians.

### Investment Objectives:

The investment of excess cash balances must satisfy the following investment objectives:

- Capital Preservation – Security of the invested funds must be a prime consideration in selection of any investment. Investments shall be undertaken in a manner that ensures the preservation of capital in the overall portfolio whilst managing credit risk and interest rate risk;
- Liquidity – A high level of liquidity must be maintained in the portfolio of investments in order to meet all reasonably anticipated operating and capital requirements and to provide the ability to adjust the portfolio in changing market conditions. This will be achieved by limiting investments to readily marketable securities;
- Maturity Terms – Maturity terms are selected which ensure that sufficient cash resources are available to meet obligations as they become due;
- Return on Investment – Investment yield, while an important factor, will be subordinate to security and liquidity considerations. The portfolio will be constructed with the objective of attaining a competitive rate of return while meeting the other objectives;
- Manageability – Given that the University has limited staff resources, the investment strategy must be manageable without a requirement for day to day management.

#### Permitted Investments:

Cash held by the University that is not immediately required for operations may only be invested in one or more of the following:

- i. Cash on hand and demand deposits;
- ii. Treasury bills issued by the federal and provincial governments and their agencies;
- iii. Obligations of trust companies and Canadian and foreign banks chartered to operate in Canada, including bankers' acceptances and bearer deposit notes;
- iv. Guaranteed Investment Certificates;
- v. Federal/ Provincial Bonds;
- vi. Municipal Bonds;
- vii. Canadian credit unions to the extent that total deposits do not exceed provincially-insured limits;
- viii. Commercial paper and term deposits, and
- ix. Bank issued Asset Backed Commercial Paper.

#### Minimum Quality Standards:

To ensure the University's risk is minimized, the investment portfolio must maintain the following minimum quality standards:

- i. The minimum quality standard for individual short-term investments is "R-1 low" or equivalent and for bonds, a debt rating of "A" or higher as rated by a recognized bond rating agency, at the time of purchase.

- ii. All investments shall be reasonably liquid with no term to maturity greater than 2 years and a minimum of 30% of the portfolio invested in securities with terms of maturity of ~~less than 1 year~~ or less.
- iii. For the purposes of this Policy, the following rating agencies shall be considered to be “recognized bond rating agencies”:
  - a. ~~Dominion Bond Rating Services~~ Morningstar DBRS;
  - b. Standard and Poor’s; and
  - c. Moody’s Investors Services.

#### Diversification:

The cumulative investment of any one money market investment will not exceed 35% of the total portfolio except for the following:

- Canadian Chartered Banks – deposit;
- Government of Canada T-Bills, Notes & Bonds – unlimited;
- Crown Corporations & Agencies, Government of Canada guaranteed Notes – unlimited.

It is the intention of this policy to rebalance the portfolio on a quarterly basis through changes in cash balances or by redirecting funds between investments.

#### Prohibited Investments:

In order to meet the University’s minimum risk tolerance, the following investments are prohibited:

- i. Equity investments;
- ii. Pooled investment funds;
- iii. Non-bank issued Asset-Backed Commercial Paper;
- iv. Any investment not specifically permitted by the Policy.

#### Approval Authority:

All investing activities are to be approved according to the following:

- i. Term to Maturity of less than one year ~~one year or less~~; any two of the following:
  - Vice-President (Finance and Administration)
  - Associate Vice-President, Finance
  - ~~Senior Manager, Financial Services~~ Director, Institutional Financial Reporting
  - President
  - Vice-President (Academic and Provost)
- ii. Term to Maturity exceeding one year; Vice-President (Finance and Administration) plus any one of the following:
  - Associate Vice-President, Finance
  - President
  - Vice-President (Academic and Provost)

### Records & Accounting:

Records of investing activities, including matured and outstanding investments will be held and maintained by Financial Services. The ~~Senior Manager, Financial Services~~ Director, Institutional Financial Reporting is responsible for ensuring that the investing transactions are accounted for and disclosed in accordance with the generally accepted accounting principles and the University's accounting policies and practices.

### Performance Measurement:

The primary objective for the Fund is to earn a rate of return, net of fees, that exceeds the rate of return earned on Current Account bank balance. The annual report will include appropriate benchmarks.

### Reporting:

A report on the Short-term Investment of Excess Cash shall be submitted annually by Financial Services to the Audit & Investment Committee providing performance data with appropriate benchmark comparisons and information on compliance with the Policy.

### Contact Officer:

Associate Vice-President, Finance

### Date for Next Review:

November 202~~7~~4

### Revision Dates:

January 28, 2020

October 31, 2023

October 23, 2024

### Related Policies, Procedures & Guidelines:

- a) N/A

### Policies Superseded by This Policy:

- a) N/A



## Board Report

**Session:**  Closed Session;  Open Session

**Action Requested:**  Decision;  Discussion/Direction;  Information

**To:** Board of Governors

**Date:** December 6, 2024

**Presented by:** Jennifer McGarrity, Chair Audit and Investment  
Tariq Al-idrissi, VP Finance and Administration

**Subject:** **Supplier Code of Conduct Policy**

### **Motion for Consideration (if applicable):**

That the Board of Governors approve the Supplier Code of Conduct Policy, as presented.

### **Executive Summary:**

The *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, (Act) was introduced by Bill S-211 and came into force on January 1, 2024. The Act aims to prevent and reduce the risk that forced labour or child labour are used in supply chains. Applicable entities, of which Trent University qualifies, have annual reporting obligations to the Minister of Public Safety and Emergency Preparedness. The Act recommends implementing appropriate policy, such as a Supplier Code of Conduct. As a result, a new policy has been scripted addressing ethical behaviours in the supply chain.

### **Analysis/Alternatives Considered:**

The newly proposed Supplier Code of Conduct Policy, as recommended by Bill S-211 federal legislation, has been prepared as a result of the Act. The Act is to implement Canada's international commitment to contribute to the fight against forced labour and child labour through the imposition of reporting obligations.

### **Financial Implications:**

The Supplier Code of Conduct Policy meets federal legislative requirements and is an actionable reporting item. Lack of reporting can lead to punitive penalties for the University up to \$250,000.

### **Enterprise Risk Assessment:**

The Supplier Code of Conduct Policy aims to strengthen and enhance the social supply chain and the University's commitment against forced labour and child labour with supplier partners and procurement processes. Annual reports are publicly available and specifically identify policy protocol requirements. Non-compliance with the reporting obligations may result in potential damage to the University's reputation.

### **Next Steps:**

Upon approval by the Board of Governors, the University's policy library will be updated with the new policy.

### **Alignment with Mission, Vision, Values, Strategic Plan:**

This policy ensures compliance with provincial procurement directives, statutes, regulations and trade agreements and accountability and transparency as to how the University manages its resources.

### **Consultation:**

The proposed new Supplier Code of Conduct Policy was appropriately vetted with all University stakeholders for feedback, as required for all policy development and review.

The Ontario University Professional Procurement Management Association (OUPPMA) Sustainability Committee (Trent University has representation on the working group) initiated a common framework of concepts based on industry standards that resonates with the university sector challenges and obligations.

### **Compliance with Policy/Legislation:**

As set out above, this policy is consistent with provincial procurement regulations, statutes, directives, trade agreements and the University's policy framework.

### **Committee/Board Mandate:**

The Audit & Investment Committee is responsible for monitoring results of external audits and ensuring that appropriate financial controls are in place. The Committee monitors the University's legislative compliance and maintains a watching brief on statutory and accountability requirements. The Committee is also responsible for recommending Board investment policy and for monitoring the performance of the University's investments.

In its audit role (in part), the Committee monitors the University's overall compliance with legislation and other regulatory and government accountability requirements and may make recommendations on the type of statutory compliance reporting that the Board should receive. The Committee will assess and monitor risks related to its responsibilities for audit and statutory compliance matters.

### **Supporting Reference Materials (attached):**

Appendix A: Supplier Code of Conduct Policy – proposed





# Supplier Code of Conduct Policy

**Category:** Finance

**Approval:** Board of Governors

**Responsibility:** Director Strategic Procurement and Compliance

**Date:** December 6, 2024

## Purpose/Reason for Policy:

The provisions set forth in this Code of Conduct outline the minimum standards expected of suppliers, and that of their subcontractors who provide goods and/or services to the University. Wherever possible, the University expects that suppliers will work proactively towards exceeding industry standards and best practices and encourages their suppliers to also meet the standards outlined herein.

## Scope of this Policy:

Any Supplier and their subcontractor(s) who supplies the University with goods and/or services are expected to abide by the tenets of this Supplier Code of Conduct Policy at all times. In instances where a supplier is found to breach or be non-compliant with this Code, the University may use any measures at its disposal to bring about compliance, including requiring remediation by the Supplier or its subcontractors. Policy

## Statement:

Suppliers and their subcontractors are required to abide by this Code. Suppliers and their subcontractors may not, however, advertise or promote in any way that they are compliant with this Code.

### 1. Environmental

Suppliers shall operate in an environmentally responsible and resource-efficient manner in accordance with existing legislation, applicable regulations and best practices. Suppliers should, wherever possible, proactively undertake initiatives to promote greater environmental responsibility within their own organization and their suppliers by:

**Reducing greenhouse gas consumption:** Suppliers shall strive to reduce greenhouse gas emissions wherever possible. Suppliers should develop processes to monitor, measure and evaluate their emissions to contribute to the University's Greenhouse Gas Emissions (GHGs) reduction targets.

**Reducing waste** – Suppliers shall have appropriate provisions in place to ensure the safe handling, storage, reuse or management of waste, wastewater and air emissions that protect the wellbeing of human health and biodiversity.

**Promoting biodiversity and responsible resource management** – Natural resources shall be used in an environmentally sustainable way including the avoidance of practices which contribute to deforestation and to refrain from conducting activity in areas that have high biodiversity value.

## 2. Social

Suppliers shall uphold the human rights of employees, communities, and vulnerable populations. Supplier commitments shall include equity, diversity, and inclusion (EDI), compliance with the Ontario Human Rights Code regarding discrimination, anti-harassment, and accessibility. Suppliers must ensure the following:

**Human rights** – Suppliers shall support human rights conventions and ensure that they are not willfully or passively compliant in human rights abuses. Where an abuse is discovered, Suppliers must notify the University and immediately seek to remedy the abuse.

**Prohibition of child labour** – Suppliers shall not employ workers under the age of 15 (or where an International Labour Organization (ILO) exemption exists). In instances where there are differences between local legislation and the ILO, the higher age shall be followed. In the absence of local laws, suppliers shall abide by the ILO regulations. Where a child worker must be displaced, adult family members should have the opportunity to assume the child's position to maintain family livelihoods.

**Prohibit all forms of forced/involuntary/indentured labour** – Suppliers shall not use forced, illegal, or prison labour including indentured or bonded labour or any form of compulsory labour to manufacture products. Suppliers shall not recruit or onboard employees in any way that contravenes applicable laws and regulations nor shall suppliers retain employees' identity papers or passports.

**Freedom to associate** - Suppliers shall recognize and respect that workers have the right to form or join trade unions of their own choosing and to collectively bargain.

**Promote supplier diversity** - Suppliers shall engage socially and economically different categories of their suppliers through inclusive sourcing processes that promote equal opportunities. Suppliers should also encourage the same principles within their human resources in the recruitment and promotion of staff.

## 3. Ethical/Behavioural

Suppliers shall act with integrity and in an ethical manner, in accordance with applicable laws and regulations. Suppliers must abide by the following:

**Ensure fair wages** – Suppliers shall pay employees at least the minimum wages required by local laws and maintain a written accounting of hours worked, deductions, and regular and overtime wages in a language understood by the worker.

**Ensure fair competition** – Suppliers shall take all necessary steps to ensure healthy competition amongst subcontractors. Suppliers shall not share privileged information, terms and conditions, or bidding strategies, or other information that restricts free and open competition.

**Ensure occupational health and safety** – Suppliers shall ensure that workplaces abide by occupational health and safety standards and promote safe working practices for their employees. Where appropriate, suppliers shall provide workers with adequate protective clothing and equipment to prevent, as far as can be reasonably practicable, adverse effects to health and safety.

**Avoid conflicts of interest** - Suppliers shall, in all matters with the University, abide by the University's governing Conflict of Interest protocols.

**Protect data and sensitive information** – Suppliers shall protect the University's data, including personal information and sensitive corporate information and take all reasonable measures to prevent the misuse, theft, fraud, and/or improper disclosure of the University's data. Suppliers shall comply with corresponding data protection laws and regulations.

**Avoidance of bribery and kickbacks** – Suppliers shall not engage in any form of bribery or other benefits of the University's staff, or family members in an attempt to further influence or attain potential business opportunities with the University.

Enforcement and Compliance:

**Consequences of Violating this Supplier Code of Conduct** – If the principles set forth in this Supplier Code of Conduct are not respected, the business relationship with the University may be reviewed and corrective action shall be taken in accordance with the relevant business contract(s). If no corrective action is taken, the University may go so far as to end the business relationship in accordance with the relevant business contract(s).

**On-going Monitoring** - The University, at its discretion, reserves the right to carry out due diligence assessments with Suppliers to verify compliance of the Policy. Assessments may include, but not limited to, obtaining the Suppliers ethical business practice policies, tools or management systems that address adherence to the principles of this policy.

**Reporting of Activities of Concern** – Suppliers and contractors shall provide employees and third parties with access to adequate reporting channels to seek advice or raise legal or ethical concerns without fear of retaliation, including opportunities for anonymous reporting. The University expects suppliers and contractors to take action to prevent, detect and correct retaliatory actions.

**Record Keeping** – Suppliers and contractors shall maintain complete and accurate books, records, and documents, in accordance with generally accepted record keeping principles. Further, with reasonable notice, they will afford the University the right to audit and access their books, records, and documents to verify compliance with the obligations outlined in this Supplier Code of Conduct.

**Branding standards** – The Supplier shall not use any insignia or logo of the University except where required to provide the Deliverables, and only if it has received prior written permission of the University to do so.

**Animal welfare** – Suppliers whose operations or supply chains involve animals must follow best practices in supporting animal welfare and conduct their activities in respect of the internationally recognized Five Freedoms for animals:

- a. Freedom from hunger and thirst
- b. Freedom from discomfort
- c. Freedom from pain, injury or disease
- d. Freedom to express normal behaviour
- e. Freedom from fear and distress

Where local animal welfare laws and regulations differ from the Five Freedoms, the stricter requirements shall prevail and must be respected by supplier and contractors.

**Fair Trade for Apparel** Suppliers and subcontractors are to ensure that apparel manufactured for the University is made under humane working conditions in compliance with accepted international standards and local laws and to improve working conditions and labour practices in the apparel industry worldwide. Refer to Trent University *Fair Trade Purchasing Policy for Apparel* for overview of standards.

**Contact Officer:**

Director Strategic Procurement and Compliance

**Date for Next Review:**

September 01, 2027

**Related Policies, Procedures & Guidelines**

- a) Procurement of Goods and Services Policy
- b) Fair Trade Purchasing Policy for Apparel

**Policies Superseded by This Policy:**

- a) N/A



## Board Report

**Session:**  Closed Session;  Open Session

**Action Requested:**  Decision;  Discussion/Direction;  Information

**To:** Board of Governors

**Date:** December 6, 2024

**Presented by:** Michael Lavallée, Chair Finance and Property  
Tariq Al-idrissi, VP Finance and Administration

**Subject:** **Revisions to Procurement of Goods and Services and Related Policies**

### **Motion for Consideration (if applicable):**

That the Board of Governors approve the revisions to the Procurement of Goods and Services Policy, the Policy on Contract Signing Authority, Special Resolution II.2 – Purchasing Policy, and Special Resolution II.4 - Property and Land Use, as presented/amended.

### **Executive Summary:**

The Board of Governors' Special Resolution II.2 - Purchasing Policy requires the University to maintain written policies on the procurement of goods and services that comply with government regulations and are in accordance with sound business practices.

Trent University's Procurement of Goods and Services Policy, last revised in June of 2022, is due for review ensuring it conforms with the recently revised Broader Public Sector (BPS) Procurement Directives effective April 1, 2024. The amendments to the BPS Procurement Directives include increasing the open competitive threshold for quotations from \$100,000 to \$121,200 adjusting for inflation.

In addition, based on a review of industry standards, senior management is recommending increases to approval authorization thresholds to more reasonable values for the following:

- Board authorizations for competitive procurements over \$1 million (currently over \$500,000) and an associated increase in threshold requiring the President's signature to between \$500,001 and \$1 million (current threshold is \$250,001 to \$500,000); and
- Board authorizations for non-competitive procurements over \$500,001 (currently over \$250,000) and associated increases in thresholds at other approval levels.

As a result of the proposed approval threshold amendments in the Procurement of Goods and Services Policy, revisions to the following policies are also required to maintain alignment:

- Policy on Contract Signing Authority
- Special Resolution II.2 – Purchasing Policy
- Special Resolution II.4 – Property and Land Use

**Analysis/Alternatives Considered:**

The proposed revisions incorporated into the revised Procurement of Goods and Services Policy are as follows:

1. Updated **Quotation Requirements** to align with the increased BPS Procurement Directives threshold.

a) Competitive procurement thresholds for goods, non-consulting services and construction as follows:

<b>Current Procurement Value</b>	<b>Proposed Procurement Value</b>	<b>Requirement</b>
\$0 - \$25,000	\$0 - \$25,000	One (1) written quotation
\$25,001 - \$99,999	\$25,001 - \$121,200	Three (3) invitational written quotations
\$100,000 and over	\$121,201 and over	Open competitive RFX process to be advertised using an electronic bid service for appropriate number of calendar days as defined per applicable trade agreement

b) Competitive procurement thresholds for consulting services as follows:

<b>Current Procurement Value</b>	<b>Proposed Procurement Value</b>	<b>Requirement</b>
\$0 – \$99,999	\$0 – \$121,200	Three (3) invitational written quotations from qualified consultants
\$100,000 and over	\$121,201 and over	Open competition RFX process advertised using an electronic bid service for appropriate number of calendar days as defined per applicable trade agreement

2. Updated **Approval Authorizations** to align with the increased BPS Procurement Directives threshold and to refresh the outdated approval model with more realistic values.

a) Revised authorizations for competitive procurements:

<b>Current Value of Purchase</b>	<b>Proposed Value of Purchase</b>	<b>Signatures Required</b>
Up to \$50,000	Up to \$50,000	Account Holder AND Procurement Officer
\$50,001 - \$100,000	\$50,001 - \$121,200	Account Holder AND Director Strategic Procurement and Compliance
Construction contracts over \$100,000	Construction contracts over \$121,200	Director Strategic Procurement and Compliance AND Associate Vice-President, Facilities Management
\$100,000 - \$250,000 including construction contracts	\$121,201- \$500,000 including construction contracts	Account Holder AND Director Strategic Procurement and Compliance AND Vice-President Finance and Administration AND appropriate Vice-President (as required)
\$250,001 - \$500,000 including construction contracts	\$500,001- \$1,000,000 including construction contracts	Account Holder AND Director Strategic Procurement and Compliance AND Vice-President Finance and Administration AND appropriate Vice-President (as required) AND President

Over \$500,000	Over \$1,000,000	<p>Account Holder</p> <p>AND Director Strategic Procurement and Compliance</p> <p>AND Vice-President Finance and Administration</p> <p>AND appropriate Vice President (as required)</p> <p>AND approved by the Board of Governors</p> <p>AND, if approved, signed by the President.</p>
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b) Revised authorizations for non-competitive approvals:

<b>Goods, Services and Construction</b>		
<b>Current Value of Purchase</b>	<b>Proposed Value of Purchase</b>	<b>Signatures Required</b>
Up to \$50,000	Up to \$75,000	Director Strategic Procurement and Compliance
Up to \$100,000	Up to \$250,000	Vice-President, Finance and Administration
Construction up to \$100,000	Construction up to \$250,000	<p>Director Strategic Procurement and Compliance</p> <p>AND AVP, Facilities Maintenance</p> <p>AND Vice-President, Finance and Administration</p>
Up to \$250,000	Up to \$500,000	President
Over \$250,000	Over \$500,001	Board of Governors
<b>Consulting</b>		
<b>Current Value of Purchase</b>	<b>Proposed Value of Purchase</b>	<b>Signatures Required</b>
Up to \$250,000	Up to \$500,000	President
Over \$250,001	Over \$500,001	Board of Governors



3. Definitions have been amended, added and expanded to provide further clarification.
4. Other proposed revisions include the following:
  - Added Modern Slavery Act (previously Bill S-211) under Related Legislation
  - Removed the established year of governing Acts and Directives to avoid confusion regarding recent updates
  - Revised procurement value for bidder notification and debriefing from \$100,000 to \$121,200 in compliance with BPS Directives
  - Updated the *Related Policies, Procedures and Guidelines* section incorporating Supplier Code of Conduct Policy (draft, pending approval)
  - Updated job titles per revised job descriptions
  - Other minor housekeeping edits

### **Financial Implications:**

The Purchasing Policy describes the applicable governance framework that identifies competitive thresholds, approval requirements, and purchasing processes to ensure procurements are conducted in an ethical and efficient manner and are in compliance with procurement directives and relevant legislation for the University's wellbeing. The Policy provides means of control over procurement functions and strategic decisions.

### **Enterprise Risk Assessment:**

The Purchasing Policy approvals, thresholds and processes mitigate potential for failures of a procurement process, promotes operational effectiveness and efficiency, and avoids compliancy risks resulting in potential business losses and disruption.

### **Next Steps:**

Upon approval by the Board of Governors, the University's policy library will be updated with the revised policies.

### **Alignment with Mission, Vision, Values, Strategic Plan:**

These policies (and associated revisions) ensure compliance with provincial procurement directives, statutes, regulations and trade agreements and accountability and transparency as to how the University manages its resources.

### **Consultation:**

The proposed revisions to the Procurement of Goods and Services Policy and related policies were appropriately vetted with all University stakeholders for feedback, as required for all policy development and review.

The Director Strategic Procurement and Compliance conducted a review of numerous post-secondary institutions regarding approval thresholds to determine industry standards. A number of institutions identified they are contemplating a review of their current approval threshold values. The recommended changes in values are based on thresholds of similar sized Ontario universities.

### **Compliance with Policy/Legislation:**

As set out above, these policies are consistent with provincial procurement regulations, statutes, directives, trade agreements and the University's policy framework.

**Committee/Board Mandate:**

The Board of Governors is responsible for ensuring the financial health of the University and the proper management of its buildings, lands and capital projects. The Finance & Property Committee assists the Board in carrying out these responsibilities by monitoring the institution's financial, property and capital affairs and making related policy recommendations.

In its finance role, the Finance and Property Committee (in part) recommends spending authority for Board approval, and may make financial policy recommendations to the Board including but not limited to policies on tuition and ancillary fees, banking, borrowing and purchasing.

**Supporting Reference Materials (attached):**

Appendix A: Procurement of Goods and Services Policy – track changes

Appendix B: Contract Signing Authority Policy – track changes

Appendix C: Special Resolution II.2 – Purchasing Policy – track changes

Appendix D: Special Resolution II.4 – Property and Land Use – track changes



# Procurement of Goods and Services Policy

**Category:** Finance

**Approval:** Board of Governors

**Responsibility:** ~~Manager, Purchasing Services~~ Director Strategic Procurement and Compliance

**Date Approved:** December 2005; Revised December 2024

## Definitions:

**Accessible Procurement** - Goods, services and facilities procured by the University should be accessible and usable by everyone, including persons with disabilities. Accessible procurement criteria must be incorporated in the University's procurement practices, regardless of value, as is mandated by Ontario's [Accessibility for Ontarians with Disabilities Act \(AODA\), 2005](#) ~~AODA~~ legislative regulations ([Integrated Accessibility Standards Regulation \[IASR s.5\]](#)). It is the responsibility of the University to apply appropriate accessibility design, criteria and features when acquiring goods, services or facilities except where it is not practical to do so; if not practical, the University must, upon request, provide an explanation. [Accessibility considerations must be integrated into the contract process to ensure that individuals with disabilities are not disadvantaged. Individuals have the right to enter into contracts on equal terms without discrimination based on any ground outlined in the Ontario Human Rights Code.](#)

**Advance Contract Award Notice (ACAN)** - A public notice indicating to the supplier community that an agency intends to award a good, service or construction contract to a pre-identified supplier believed to be the only one capable of performing the work, thereby allowing other suppliers to signal their interest in bidding by submitting a statement of capabilities. If no other supplier submits a statement of capabilities that meets the requirements set out in the ACAN, the contracting officer may then proceed with awarding the contract to the pre-identified supplier. It is important to note that an ACAN is not a competitive process; however, competitive approval authorities may be used if there is no successful challenge.

**Accountability** - The obligation of an employee, agent or other person to answer for or be accountable for, work, action or failure to act following delegated authority.

**Bonfire** - An on-line portal which the University uses to post advertisements electronically for bid opportunities, receive submissions, complete evaluations, advise award notifications and manage vendor contracts.

**Broader Public Sector (BPS) Procurement Directive (BPS)** - Is a set of procurement rules ~~in~~ for the purchase of goods or services using public funds by broader public sector organizations that provides for accountability measures, greater transparency and consistent management of procurement processes.

**Canadian Free Trade Agreement (CFTA)** - commits federal, provincial and territorial governments to a set of rules that achieve competitive economic union for all Canadians. CFTA enhances flow of goods and services, eliminates technical barriers to trade, expands procurement coverage and promotes regulatory cooperation within Canada. CFTA

**Canada-European Union Comprehensive Economic and Trade Agreement (CETA)** - a progressive free trade agreement which covers virtually all sectors and aspects of Canada-EU trade in order to eliminate and reduce barriers. CETA

**Capital Asset** – procured item valued at a single amount greater than \$5,000 (before taxes) and with a life expectancy of more than one year.

**Capital Project Contract** – may include, but not limited to, construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural works.

**Conflict of Interest** – a situation in which financial or other personal considerations have the potential to compromise or bias professional judgment and objectivity. An apparent conflict of interest is one in which a reasonable person would think that the professional's judgment is likely to be compromised. The University must monitor any conflict of interest that may arise as a result of the members' of the organization, advisors', external consultants', or suppliers' involvement with the supply chain activities.

**Consulting** - The provision of expertise or strategic advice (not services) which is presented for consideration and decision making. Helpful tip: Consultants are considered "thinkers" and are strategic versus service providers who are "doers" and tactical in nature tending to have a hands-on role, actively creating, executing or handling the work. Examples of consulting include engagements to assess operational performance, policy analysis, on-going expertise, etc.

**Equity, Diversity, and Inclusion (EDI)** - Trent University is committed to fostering Equity, Diversity, and Inclusion (EDI) in all procurement activities. All suppliers and service providers, including those from underrepresented groups, will be provided equitable opportunities to participate in procurement processes.

**Freedom of Information and the Protection of Privacy Act (Ontario) FIPPA** - is an Act of the Legislative Assembly of Ontario. FIPPA legislates access to information held by public institutions in Ontario subject to specific requirements to safeguard the personal information of individuals.

**Goods** - moveable property (including the costs of installing, operating, maintaining or manufacturing such moveable property) including raw materials, products, equipment and other physical objects of every kind and description.

**Goods and Services/Goods or Services** means all goods and/or services including construction, consulting services and information technology.

**Harassment** - All procurement personnel, university staff and suppliers are required to maintain a professional, respectful, and harassment-free environment. Any incidents of harassment will be

reported immediately, and the university will take prompt and appropriate action to address or investigate a complaint.

**Invitational Competitive Procurement** – any form of requesting multiple qualified suppliers to submit a written proposal or quotation in response to defined requirements.

MERX - An electronic advertising bid service. ~~MERX~~

**Pre-Qualification** - A process where bidders must satisfy the University that they have the minimum qualifications to successfully provide a service or supplies.

**Procurement Value** – the estimated total financial commitment in Canadian funds resulting from the procurement, taking into account optional extensions and excluding applicable sales tax.

~~Purchasing Officer~~**Procurement Officer** - A staff member in ~~Purchasing Services~~**Procurement Services** that supports the University community in procurement of goods and services in accordance with BPS directives, legislation and policy.

**Purchase Order** – a written official offer made by a ~~Purchasing Officer~~**Procurement Officer** to a vendor that formally sets out terms and conditions of proposed transaction(s). There are certain goods and services for which a Purchase Order may not be acceptable or appropriate and would be procured through an alternative means such as, Purchasing Card, cheque requisition or expense reports. These activities are subject to appropriate signing approvals. A Purchase order is generally used for goods and services purchased at the time and paid for in a lump sum. Blanket Purchase Orders are defined as an order of goods and/or services that contains multiple delivery dates and/or payments scheduled over a fiscal year. A Purchase Order is generated by ~~Purchasing Services~~**Procurement Services** from an approved purchase requisition.

**Purchase Requisition** - A formal request used by the Account Holder to notify ~~Purchasing Services~~**Procurement Services** of the need to procure goods or services.

**Quote** - An offer made in writing from a supplier to sell goods or services to the University.

**Request for Quote (RFQ)** - A written request for price and delivery of a specific requirement.

**Request for Proposal (RFP)** - A written request for price and delivery where the exact nature of the requirement is not defined. The supplier is asked to provide a recommendation which satisfies the requirement.

**Request for Information (RFI)** – A written request used to gather general supplier or product information for a contemplated procurement. Information collected is used to develop a subsequent RFP.

**Request for Expressions of Interest (RFEI)** – A written request intended to gather information on supplier capabilities. An RFEI is ~~N~~ot used to eliminate bidders from a future bid opportunity. NOTE: The Broader Public Sector Procurement Directive, 2011 prohibits an RFI or RFEI from being used to pre-qualify a potential supplier or influence their chances of being successful on any subsequent opportunity.

**Request for Prequalification (RFPQ)** – A two-stage approach in which proponents must successfully meet the qualification criteria to develop a list of bidders to be included in subsequent solicitation processes.

**Request for Tender (RFT)** – A structured invitation to suppliers to respond to a defined need for goods and/or services, typically used for construction.

**Rfx** - A common catch-all term used when referencing a formal procurement strategic sourcing document that is a “request for” something (i.e. Request for Proposal (RFP), Request for Information (RFI), Request for Quote (RFQ), etc.).

**Services** – Intangible, not having a physical presence. Performance of specific duties for a fee-for-service arrangement for a limited period. No transfer of possession or ownership takes place when services are sold. Services come into existence at the time they are bought and consumed. For the purpose of this policy, consultancy is not considered a service. (See definition of “Consulting”).

**Trade Agreements** - As of July 1, 2017/17, ~~the Agreement on Internal Trade was updated and renamed the~~ -Canadian Free Trade Agreement (CFTA) (formerly known as the Agreement on Internal Trade) and ~~the~~ Comprehensive Economic Trade Agreement (CETA) with the European Union, effective September 21, 2017-21/17. These trade agreements govern how we do business.

**Vendor of Record (VOR)** – a vendor with whom the University has a formalized relationship for a set of defined products or services, but one that is not necessarily exclusive. A VOR is established through an open Request for Prequalification solicitation defining purchasing thresholds for the products or services for a defined period.

Written – a document or information in either electronic or hard copy format.

### **Purpose/Reason for Policy:**

The objective of a procurement policy is to ensure ethical, efficient, and accountable sourcing and contracting for goods and services.

### **Scope of this Policy:**

This policy applies to the acquisition of goods and services including construction, consulting and information technology, whether paid from operating, ancillary, endowment, capital, trust or research funds.

### **Policy Statement:**

It is the University’s policy that all goods and services are procured in a fair, open, transparent and economically effective manner in compliance with the Broader Public Sector ~~p~~Procurement ~~D~~irective and other relevant legislation.

The University’s Procurement Policy is based on the principles of:

- Accountability
- Transparency, fairness, equal supplier access to business opportunities
- Effective use of public funds and value for money
- Ensuring the right product is available at the right time and place
- Process standardization

Related legislation and trade agreements governing procurement at Trent University:

- Ontario-Quebec Procurement Agreement
- Freedom of Information and Protection of Privacy Act (FIPPA)
- Broader Public Sector Accountability Act ~~2010~~
- BPS Procurement Directive ~~2011~~
- Canadian Free Trade Agreement (CFTA)
- Comprehensive Economic Trade Agreement (CETA) with the European Union
- The Integrated Accessibility Standards Regulation
- Modern Slavery Act
- Accessibility for Ontarians with Disabilities Act (AODA)

### **Responsibilities/Segregation of Duties:**

Segregation of duties and delegation of authority are essential controls within the purchasing process. Together they ensure the integrity of the process and reduce the exposure to inappropriate and unlawful expenditures.

The acquisition of goods and services is the primary responsibility of Purchasing Services/Procurement Services except as specifically delegated by the Board of Governors or the President (see Appendix A).

At least three of the five functional procurement roles: Requisition, Budgeting, Commitment, Receipt and Payment must lie with different individuals.

### **Purchasing Services/Procurement Services**

The role of Purchasing Services/Procurement Services is to identify sources for required goods and services, to select and to contract the acquisition as economically as possible within accepted standards of quality, to manage supplier relationships on behalf of the University and to ensure that purchases are made in accordance with this policy. All purchasing transactions will be done in a fair, ethical and transparent manner, providing suppliers with equal access to University business. Purchasing Procurement Services will work with account holder when procurement requirements are identified.

Purchasing Services/Procurement Services administers all RFX documents for goods and services, and commits the University to the purchase, unless this responsibility is specifically delegated to another office, per Appendix A. All formal procurement documentation is maintained in Purchasing Services/Procurement Services or in the delegated departments for seven (7) years for audit purposes.

### **Account Holder (Departmental or Research)**

The Account Holder (also referred to as Budget Owner or Supervisor) having approval authority within the position they occupy and -is accountable to the University and/or the granting agency for the appropriate use of funds.

The Account Holder is responsible for identifying the requirement(s), developing the specification(s), authorizing the use of an account containing sufficient funds, preparing the requisition, and working with Purchasing staff to evaluate the bids received.

The Account Holder is responsible to confirm that the required goods or services were physically received, correct and complete.

**Research Finance (Financial Services)**

For all Research Funds Accounts, prior to purchase, Research Finance is responsible for determining; eligibility of expenditure(s) under funding agreements, contracts and applicable policies; that sufficient funds are available; and that appropriate documentation is in place.

**Financial Services Accountant/Advisors (Financial Services)**

For all Restricted Funds Accounts other than Research Accounts (for example, trust and special purpose funds), prior to purchase, Financial Services Accountant/Advisors are responsible for determining; eligibility of expenditure under funding agreements, contracts and applicable policies; that sufficient funds are available; and that appropriate documentation is in place.

**Accounts Payable (Financial Services)**

Prior to payment, Accounts Payable is responsible to confirm that the appropriate approvals are in place, to apply correct tax codes and to authorize the release of payment to the supplier.

**Quotation Requirements:**

Competitive procurement thresholds for goods, non-consulting services and construction are as follows:

Procurement Value	Requirement
\$0 - \$25,000	One (1) written quotation
\$25,001 - <del>\$99,999</del> <u>121,200</u>	Three (3) invitational written quotations
<del>\$121,201</del> <u>100,000</u> and over	Open competitive RFX process to be advertised using an electronic bid service for appropriate number of calendar days as defined per applicable trade agreement

Competitive procurement thresholds for consulting services as follows:

Procurement Value	Requirement
\$0 – <del>\$99,999</del> <u>121,200</u>	Three (3) invitational written quotations from qualified consultants
<del>\$100,000</del> <u>121,201</u> and over	Open competition RFX process advertised using an electronic bid service for appropriate number of calendar days as defined per applicable trade agreement

Multiple quotations are not required for purchases made for goods or services when under university contract or established Vendor of Record (VOR) arrangements.



Exemptions from the above requirements must be in accordance with exceptions listed in Appendix B. For consulting contracts, any exemption must be documented and approved by the President (up to \$~~500,250~~,000) or by the Board of Governors (over \$~~500,250,000~~~~01~~).

See Appendix B for a list of exceptions to the requirements for quotations.

**Evaluation:**

Non-discriminatory criteria for the bid must be developed, reviewed and approved prior to the commencement of the competitive procurement process. RfX documents must clearly state the mandatory and other criteria that will be used to evaluate submissions, including the weight of each criterion. Evaluators’ scores and comments must be documented and may be required for debriefing, protest or as requested by bidders under FIPPA.

Evaluation documentation will be retained in ~~Purchasing Services~~Procurement Services for a period of seven (7) years.

See detailed [Procurement Bid Evaluation Procedure](#).

**Authorizations Required:**

To initiate an order or award a contract to an external supplier of goods or services, the account holder prepares a purchase requisition, which requires a minimum of two authorizing signatures:

The first signature is that of the account holder or delegate and confirms that:

- a) the expenditure is necessary;
- b) the budget, approved in the annual budget process or under a specified funding agreement, provides for the purchase of the item; and
- c) the account contains sufficient funds.

The account holder is authorized to requisition goods and/or services, within their spending authority, up to the limit of the approved budget. The second approval is provided by a ~~Purchasing Officer~~Procurement Officer of the University and indicates that due process has been followed and additional authorizations have been obtained in accordance with this Policy.

Prior to award, the following authorizations are required:

Value of Purchase	Signatures Required
Up to \$50,000	Account Holder AND <del>Purchasing Officer</del> <u>Procurement Officer</u>
\$50,001 <del>– \$100,000</del> <u>121,200</u>	Account Holder AND <del>Manager, Purchasing Services</del> <u>Director Strategic Procurement and Compliance</u>
Construction contracts <del>up to</del> <del>over</del> <u>\$100,000</u> <u>121,200</u>	<del>Manager, Purchasing Services</del> <u>Director Strategic Procurement and Compliance</u> AND

	<p><u>Associate Vice-President, Facilities Management</u></p>
<p>\$<del>12100,2001</del>- \$<del>50250,000</del> including construction contracts</p>	<p>Account Holder</p> <p>AND <del>Manager, Purchasing Services</del><u>Director Strategic Procurement and Compliance</u></p> <p>AND Vice-President Finance and Administration</p> <p>AND <del>(if deemed appropriate by VP, Finance and Administration)</del> <u>appropriate</u> Vice-President <del>Academic (for purchases charged to academic budgets(as required))</del></p>
<p>\$<del>50250,001</del>- \$<del>1,0500,000</del> including construction contracts</p>	<p>Account Holder</p> <p>AND <del>Manager, Purchasing Services</del><u>Director Strategic Procurement and Compliance</u></p> <p>AND Vice-President Finance and Administration</p> <p>AND <del>appropriate (if deemed appropriate by VP, Finance and Administration)</del></p> <p>Vice-President <del>Academic (for purchases charged to academic budgets(as required))</del></p> <p>AND President</p>
<p>Over \$<del>1,0500,0010</del></p>	<p>Account Holder</p> <p>AND <del>Manager, Purchasing Services</del><u>Director Strategic Procurement and Compliance</u></p> <p>AND Vice-President <del>(Finance and Administration)</del></p> <p><del>AND(AND appropriate (if deemed appropriate by VP, Finance and Administration),</del></p> <p>Vice President <del>(Academic(as required))</del></p> <p>AND</p> <p>approved by the Board of Governors.</p> <p>AND, if approved, signed by the President.</p>

**Capital Project Contracts** - Once final Board approval has been granted for a particular capital project, the Board may, at its discretion, give the President authority to approve integral contracts with a value of up to \$1 million, as long as the expenditure fits within the approved total construction budget. If such a contract will have the effect of causing a capital project to exceed its overall approved budget

limit, Board approval of the contract will be required. Regardless of this delegation of authority, the President may still choose to seek Board approval of an individual contract.

### **Contract:**

The agreement between the University and the successful supplier must be formally defined in a signed written contract before the provision of supplying goods or services commences. Ideally the contract will use the form of agreement that was released with the RFX documentation.

All contracts must include appropriate cancellation or termination clauses. The term of the agreement and any options to extend the agreement must be set out in the original RFX documents.

Contracts must be provided in accessible formats upon request.

### **Bidder Notification, Debriefing and Right of Protest:**

For procurements valued at \$~~100,000~~ 121,200 and over, the result must be posted in the same manner as the RFX was advertised.

For procurements over \$~~100,000~~ 121,200, the University is obliged to inform unsuccessful bidders about their entitlement to a debriefing. Bidders will be allowed 60 days to request a debriefing. Refer to [Proponent Debriefing Procedure](#). Bidders also have the right to protest a tender decision. Refer to [Procurement Bid Protest Procedure](#).

### **Purchasing for Personal Use:**

The facilities of the University shall not be used to purchase or otherwise acquire goods, services, or materials for the personal use, benefit, or enjoyment of any employee except where an employee purchase plan has been approved by the Vice-President, Finance and Administration.

### **Collaborative Purchasing:**

The University may choose to participate in a collaborative purchasing project with other local organizations, cooperative purchasing organizations and provincial organizations. The tendering requirements of the collaborative organization may not be identical to the University requirements but will be accepted if deemed by the ~~Purchasing Officer~~ Procurement Officer to be consistent with the intent of University purchasing policies and applicable trade agreements.

### **Contact Officer:**

~~Manager, Purchasing Services~~ Director Strategic Procurement and Compliance

### **Date for Next Review:**

~~June-September~~ 01, 2027

### **Related Policies, Procedures & Guidelines**

- a) Supply Chain Code of Ethics Policy
- b) Travel and Business Expenses Policy
- c) Refreshments and Hospitality Policy
- d) Environmentally Sustainable Procurement Policy
- e) Fair Trade Purchasing Policy for Apparel
- f) Proponent Debriefing Procedure
- g) Procurement Bid Evaluation Procedure

- h) Bid Irregularities Procedure
- i) Procurement Bid Protest Procedure
- j) Corporate Purchase Card Procedure
- jk) Supplier Code of Conduct Policy (draft, contemplating approval 2024)

**Policies Superseded by This Policy:**

- a) PUR 001, Procurement of Goods and Services approved 2022, 2018, 2011, initially December 2005

## **Appendix A - Review and Authorization Requirements for Specific Contracts**

Process for reviewing and approval responsibility specifically delegated to another office outside of ~~Purchasing Services~~Procurement Services:

### **Employee Benefits**

The choice of an employee benefits provider as managed by the Human Resources Department will be reviewed, preferably every three (3) years but must be reviewed within five (5) years. The results of the review will be reported to Finance & Property Committee of the Board.

### **Financial Services**

For the provision of financial services respecting the management of financial assets and liabilities (banking services), including ancillary advisory and information services, whether or not delivered by a financial institution, the decision to continue with the current service provider will be reviewed, preferably every three (3) years, but must be reviewed within five (5) years. The Vice President, Finance and Administration may waive the need for obtaining multiple competitive quotes.

### **Investment Services**

For financial analysts or the management of investments by organizations that have such functions as a primary purpose, the Vice-President, Finance and Administration, in consultation with the Associate Vice-President, Finance and the Audit and Investment Committee of the Board may waive the need for competitive quotes.

### **Library Collection Acquisitions**

The University Librarian is responsible for approving the acquisition of texts, reference books, library books, serials and periodicals in print or non-print format.

### **Professional Services**

For health services provided by licensed medical doctors, dentists, nurses, pharmacists and veterinarians, and legal services provided by lawyers and notaries, if the nature of the service required is ongoing, the decision to continue with the current source will be reviewed, preferably every three (3) years, but must be reviewed within five (5) years. The results of the review will be reported to the appropriate Committee of the Board.

**Appendix B - Non-Competitive Procurement Protocol**

**1. Non-Competitive Procurement**

Non-competitive procurement means the acquisition of deliverables through a process or method that does not comply with the University’s competitive bidding requirements.

**2. Exceptions to Competitive Bidding Requirements**

A non-competitive procurement must not be used for the purpose of avoiding competition among suppliers or in a manner that discriminates against or in favour of particular ~~suppliers, and~~ suppliers and will only be permitted in accordance with applicable legislation and trade agreements.

The possible exceptions to the competitive bidding requirements are set out in the University’s **Non-Competitive Procurement Approval Form** (the “Approval Form”). A non-competitive procurement may only be permitted if one or more of the reasons in the Approval Form apply to the procurement.

**3. Required Documentation**

To obtain authority for a non-competitive procurement, the requisitioning department or account holder must complete the **Approval Form** and attach all supporting documentation.

The completed **Approval Form** must also be accompanied by the detailed requirements, specifications and pricing structure for the required deliverables.

**4. Approval of a Non-Competitive Procurement**

Prior to acquiring any goods or services or engaging in any contract negotiations with a Supplier, the completed **Approval Form** must be approved and signed in accordance with the authorization levels set out below:

<b>Goods, Services and Construction</b>	
Up to <del>\$50</del> <u>75</u> ,000	<del>Manager, Purchasing Services</del> <u>Director Strategic Procurement and Compliance</u>
Up to <del>\$100</del> <u>250</u> ,000	Vice-President, Finance and Administration
Construction up to <del>\$100</del> <u>250</u> ,000	<del>Manager, Purchasing Services</del> <u>Director Strategic Procurement and Compliance</u> <del>and</del> <u>AND</u> AVP, Facilities Maintenance <del>and</del> <u>AND Vice-President, Finance and Administration</u>
Up to <del>\$250</del> <u>500</u> ,000	President
Over <del>\$500</del> <u>250</u> ,000 <del>10</del>	Board of Governors
<b>Consulting</b>	
Up to <del>\$250</del> <u>500</u> ,000	President
Over <del>\$250</del> <u>500</u> ,000 <del>10</del>	Board of Governors

Approval will not be given if the **Approval Form** is incomplete or does not include sufficient supporting evidence and all required documentation.

The requisitioning department or account holder must forward the completed **Approval Form** and all accompanying documentation to the ~~Manager of Purchasing Services~~Director Strategic Procurement and Compliance.

#### **5. Non-Competitive Procurement Recordkeeping**

The approved **Non-Competitive Procurement Approval Form** and all related documentation will be kept on file in the ~~Purchasing Services~~Procurement Services office and must be maintained for a minimum of seven (7) years from the contract award date, or such longer period as may be required under the University's document management policies.

#### **6. Contracts for Non-Competitive Procurements**

When a non-competitive procurement is authorized, the requisitioning department or account holder, in conjunction with ~~Purchasing Services~~Procurement Services, is responsible for negotiating and finalizing the contract for the deliverables.

#### **7. Notice of Contract Award**

For procurements valued at \$~~100,000~~121,200 and over, ~~Purchasing Services~~Procurement Services must publish the notice of award on the University's website or another website designated for this purpose. The notice must be published within 72 days of the contract award and must include at least the following information:

- (a) a description of the goods or services procured;
- (b) the name and address of the procuring entity;
- (c) the name and address of the supplier;
- (d) the date of the award; and
- (e) a description of the circumstances justifying the use of a Non-Competitive Procurement.



# Policy on Contract Signing Authority

**Category:** Operations

**Approval:** Board of Governors

**Responsibility:** University Secretary

**Date:** June 2010; Revised – June 2018; June 2020; Revised – December 2024

## Definitions:

“Contract” refers to any arrangement or agreement which involves an exchange of value between the University and another party or parties, and is legally binding on the University.

“Delegate” refers to those persons, authorized by this Policy as well as any alternative officers as may be referred to in the related procedures, to enter into contracts on behalf of the University.

## Purpose/Reason for Policy:

This policy concerns University contracting and the delegation of authority to contract on behalf of the University. It reflects the commitment of Trent University to the proper management of and accountability for the resources of the University. Compliance with this policy will safeguard University resources through the application of consistent management practices and controls in the contracting process.

The Trent Act (1963) grants to the University’s Board of Governors the power to govern the affairs of the University and conduct its business. Section 34 of Board By-law No. 1, authorizes the Board to delegate any officer or officers or any other person or persons on behalf of the University, to sign and deliver contracts, documents or instruments.

The Policy applies to all contractual arrangements to which the University is a party, including without limitation, contracts involving the University’s administration and academic departments.

This Policy identifies all contracts and agreements within the University which require prior Board approval and establishes the signing authority for same. Further, this Policy delegates authority to the President and Vice-Presidents Group (PVP), through associated procedures, to designate the positions within the University structure which carry the authority to approve and sign all other contracts on behalf of the University, thereby ensuring accountability and proper management of University resources.

Only those persons authorized by this Policy may enter into contracts on behalf of the University (hereafter a “delegate”).

## Policy:

### A. CONTRACT SIGNING AUTHORITY - GENERAL

All University staff and persons acting on behalf of the University share in the overall responsibility for the sound stewardship of University finances and resources and each has a responsibility to be aware of



and to comply with related University Policies, control procedures and practices.

A member of the University staff or a person acting on behalf of the University who develops a contract or recommends that the University enter into a contract (herein, "proponent") is required to take all reasonable steps to ensure the sound stewardship of the University's interests and resources, which include trust funds and public funds. The University expects proponents and all others who may be involved in the contracting process on behalf of the University to act ethically and diligently in carrying out their fiduciary responsibilities to the University.

No person may enter into arrangements purporting to bind the University to contractual obligations unless he/she has been granted authority to do so pursuant to this Policy or associated Procedures (herein referred to as a "Delegate"). In circumstances where the "Delegate" position is vacant, a person appointed by the University to act in that position shall have all the rights and responsibilities of a Delegate.

## **B. VALIDITY OF CONTRACTS**

To enter into a binding contract with the University, all persons, firms and corporations must contract in the manner provided by this Policy and in accordance with contract law. This applies equally to those who seek to contract with the University and those who seek to contract on behalf of the University.

## **C. RESPONSIBILITY OF DELEGATES**

A Delegate shall not take any part in contracting on behalf of the University if he/she has a conflict of interest or if it is reasonably foreseeable that a perception of a conflict of interest may arise.

Before a Delegate signs a contract, he/she shall ensure there are reasonable grounds to believe that all of the following conditions are met:

1. The proposed contract is in the best interest of the University;
2. It is fiscally responsible to enter into the contract;
3. The contract does not conflict with legislative or regulatory requirements, or with Policies, collective agreements or other legal obligations of the University;
4. Approvals have been obtained to comply with legislative and regulatory requirements and practices, procedures and Policies of the University, such as governmental authorities, Board of Governors, Senate, etc. (as applicable);
5. Provision has been made for adequate indemnity, insurance and risk mitigation plans has occurred;
6. Ensure compliance with provincial laws, including the *Accessibility for Ontarians Act (AODA)* and its associated standards and regulations; and
- ~~6-7.~~ \_\_\_\_\_ Intellectual property interests, proprietary to the University, are appropriately protected in terms that conform with the University's Policies, collective agreements and existing legal obligations.

## **D. CONTRACTS REQUIRING APPROVAL OF THE BOARD OF GOVERNORS**

The Board of Governors is responsible to oversee and direct all matters respecting the management, administration and control of the University's property, revenues and financial affairs.

Pursuant to The Trent University Act, 1963 (the "Act") the Board of Governors may enter into any

contract deemed appropriate and within its jurisdiction. Contracts are deemed to be properly executed if signed in accordance with the Act.

1. A resolution of the Board of Governors, is required for the University to enter into contracts of the nature described below:
  - a) Contracts for the purchase, sale or mortgage of land;
  - b) Licenses to use, leases and commitments of real property, facilities or resources of the University for a term exceeding 6 years;
  - c) Contracts having an anticipated ~~cost total value to the University exceeding of \$500,000.00~~ 1,000,000 or more;
  - d) Collective bargaining agreements;
  - e) Bonds, debentures and securities issued by the University or agreements involving the borrowing of money or the guaranteeing of obligations;
  - f) Contracts having the potential to significantly impair the financial status of the University, contracts with the potential of material risk or onerous consequences, whether legal, financial, reputational or otherwise or contracts that are precedent-setting or involve sensitive issues.
  - g) Contracts reserved for the consideration of the Board of Governors by the University President, a Vice-President or the Board of Governors.
2. The following Delegates are authorized to sign contracts which have been approved by resolution of the Board of Governors:
  - a) Any one of the President, the Chair or a Vice-Chair, together with any one of a Vice-President or Secretary (as defined in sec. 34 of Board By-Law No. 1).

#### E. **OTHER CONTRACTS – AUTHORITY OF DELEGATES**

Except for those circumstances as specified in Section D, the accompanying Administrative Procedures– “Contract Signing – Authority of Delegates” establishes delegated contract signing authority, as approved and/or amended by the President-Vice-Presidents Committee (PVP) from time to time.

#### **Contact Officer:**

University Secretary

#### **Date for Next Review:**

~~TBD~~ [September 2027](#)

#### **Related Policies, Procedures & Guidelines**

- a) Administrative Procedure: Contracts – Delegated Signing Authority
- [b\) Procurement of Goods & Services Policy and Procedures](#)
- [c\) Conflict of Interest Policy](#)
- ~~b~~[d\) Discrimination and Harassment Policy](#)
- ~~e~~[e\) Board By-law No. 1](#)
- ~~d~~[f\) Board Special Resolutions II.1, II.2, II.3, and II.4](#)

#### **Policies Superseded by This Policy:**

- a) N/A



## Board Special Resolution II.2:

# Purchasing Policy

**Category:** Board of Governors

**Approval:** Board of Governors

**Responsibility:** University Secretary

**Date:** ~~December 2, 2005~~ December

2024

### Purpose:

This policy provides guidance to the administration concerning the policies and procedures that need to be in place and followed when goods and services are acquired by the University. It requires periodic reports from the administration to the Board for purposes of monitoring.

### Policy:

- ~~1.~~ Goods and services will be acquired as economically as possible<sup>1</sup> within accepted standards of quality so as to provide the best overall value to the University.
- ~~1.~~
- ~~2.~~ Purchases (including purchase requisitions, work orders, subsequent commitments to suppliers, and service contracts) with a total value<sup>2</sup> in excess of ~~\$500,000~~ \$1,000,000 will require the prior approval of the Board of Governors. Purchases with a total value of ~~\$500,001-\$1,000,000~~ \$500,001 to
- ~~3.~~ ~~\$500,000~~ will require the prior approval of the President. Authority for purchases in amounts of ~~\$250,000~~ \$500,000 or less may be delegated by the President in accordance with a written administrative policy reviewed periodically by the Finance & Property Committee of the Board of Governors. Approval of a non-competitive procurement award will require prior approval of the Board of Governors with a total value exceeding \$500,000.
- ~~2.~~
- ~~4.~~ ~~3.~~ The Board may authorize the President in advance to enter into contracts of up to
- ~~5.~~ \$1,000,000 within the overall Board-approved budget of a capital project.
- ~~3.~~
- ~~6.4.4.~~ Written policies for the procurement of goods and services including obtaining quotations and tenders and delegation of responsibility for various types of purchases will be maintained, promulgated widely within the University and available to the public. All policies and procedures will comply with government regulations and will be in accordance with sound business practices. Administrative

policies will be reviewed periodically by the Finance & Property Committee of the Board of Governors.

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<sup>1</sup> subject to any special provisions for the procurement of environmentally friendly products established in the University's administrative policies.

<sup>2</sup> "value" is defined as cost to the University, ~~in Canadian including funds, including~~ full aggregate costs of multi-year purchases and contracts, excluding taxes, duty and transportation.



## Board Special Resolution II.4:

# Property and Land Use

**Category:** Board of Governors

**Approval:** Board of Governors

**Responsibility:** University Secretary

**Date:** January 27, 2006 (replacing SR III.4 – Sale, Transfer or Conveyance of Real Property, 1994, 2002, 2005; SR II.5 – Gifts of Real Property, 2002; and SR II.6 – Lease of Real Property, 1994, 2002), Revised June 23, 2006; June 23, 2011; June 22, 2012; March 26, 2021; February 4, 2022.

### Policy Statement

This policy sets the Board's parameters for the sale, transfer, or conveyance of real property, the acquisition of real property, the acceptance of gifts of real property, and the lease of real property. It sets out the reporting requirements and approval processes for these transactions. The policy also outlines the Board's responsibility for oversight of the Trent Lands and Nature Areas Plan for the Symons campus. This policy does not apply to interests in real property that may be held by the University indirectly through its investment portfolios.

### Definitions

Property (Properties) of Interest: A property that is considered key to advance the academic or administrative purposes of the University.

### SECTION I: PROPERTY TRANSACTIONS

#### A. Sale, Transfer, or Conveyance of Real Property

1. Real property owned by the University may not be sold, transferred, or conveyed without the prior approval of the Board of Governors.
2. Before the decision to sell, transfer, or convey is taken, it shall be determined to the satisfaction of the Board that the real property in question is not required for the foreseeable needs of the University on grounds that:
  - a. it is not usable or needed for academic or administrative purposes; or
  - b. the maintenance or required improvement costs associated with continued ownership or use of the property are not reasonable; or
  - c. it is demonstrably in the best interests of the University to sell, transfer, or convey the land.
3. When authorized to dispose of real property, the President will acquire an appraisal of value for the property and be given authority to transact for no less than 95% of that value. If the President deems it is appropriate to transact for less than 95% of the appraised value, a revised

recommendation shall be considered by the Board of Governors for approval.

**B. Acquisition of Real Property**

**B1. Guiding Principles**

Real property shall not be acquired by the University without the prior approval of the Board of Governors and must adhere to the following guiding principles:

- a. The responsibility for management of current assets must be balanced with the management of new assets.
- b. Acquisitions shall, when feasible, extend property asset life.
- c. Acquisitions shall enhance - not diminish or downgrade Trent credit ratings.
- d. Acquisitions shall be based on long term financial strategies for asset growth.
- e. In all cases, the level of acceptable risk will be assessed and reviewed before acquisitions are made.
- f. The acquisition of real property must meet all policy requirements as outlined by the University's Procurement of Goods and Services Policy.

**B2. General Acquisition of Real Property**

The process to acquire real property is as follows:

- a. A report and recommendation shall be submitted to the Finance and Property Committee of the Board to recommend approval to the Board of Governors. The report and recommendation shall contain justification, a business case, all due diligence, and sources of funding.

The due diligence shall include, but is not limited to: a real estate appraisal, property inspection, environmental assessment, eligibility for insurance, title search, history, easements, land planning implications, and zoning. In all cases, legal counsel must be involved in executing the purchasing transaction on behalf of the University. Confidentiality to protect the identity of Trent University as the buyer will generally be observed.

The sources of funding shall be identified from one or more of the following sources:

- i. donations should they exist (in part or in full);
- ii. designation during the budget process (should timing be appropriate);
- iii. surpluses should they exist;
- iv. University reserves, should they exist;
- v. long-term debt, including facilities available through the University's bond; in all cases, long-term debt shall not affect the University's credit rating;
- vi. public/private or other sources of partnership.

- b. Once recommended for approval, the report and recommendation shall be presented at a subsequent Board of Governors meeting for approval and an explicit mandate concerning acquisition will be given to the President.

### B3. Property (Properties) of Interest Acquisition

In the course of planning and strategy formulation, the Board of Governors or administration may identify properties that are seen as key to advance the academic or administrative purposes of the University. The determination of what is considered “key” to advance the academic or administrative purposes of the university shall be determined on a case-by-case basis.

The process to identify and maintain properties of Interest is as follows:

- a. A property is presented to the Executive Committee of the Board for designation as a property of interest with a rationale for such designation.
- b. Once a property is designated as a property of interest, administration shall prepare a property profile. The profile should be strictly confidential and should not alert property owners to the University’s interest. The profile shall include, but is not limited to: history, environmental assessment, easements, land planning implications, and zoning. The property profile shall be updated annually.

### B4. Acquisition of Properties of Interest

When a property is designated as a property of interest, authority to acquire said property is delegated to the Executive Committee of the Board.

The process to acquire real property designated as a property of interest is as follows:

- a. A report and recommendation is submitted to the Executive Committee of the Board for approval. The report and recommendation shall contain justification, a business case, all due diligence, and sources of funding.  
The due diligence shall include, but is not limited to: a real estate appraisal, property inspection, environmental assessment, eligibility for insurance, title search, history, easements, land planning implications, and zoning. In all cases, legal counsel must be involved in executing the purchasing transaction on behalf of the University. Confidentiality to protect the identity of Trent University as the buyer will generally be observed.  
The sources of funding shall be identified from one or more of the following sources:
  - i. donations should they exist (in part or in full);
  - ii. designation during the budget process (should timing be appropriate);
  - iii. surpluses should they exist;

- iv. University reserves, should they exist;
  - v. long-term debt, including facilities available through the University's bond; in all cases, long-term debt shall not affect the university's credit rating;
  - vi. public/private or other sources of partnership.
- b. Once the acquisition is approved by the Executive Committee of the Board, the President will be given an explicit mandate concerning acquisition.

**C. Gifts of Real Property**

1. The University will not accept or receive a gift of real property if the University is restrained in any manner from otherwise disposing of all or part of it after acceptance and receipt, unless the Board of Governors agrees to any such restraint by resolution.
2. Only the Board of Governors may accept gifts of real property on behalf of the University. Gifts of real property will be considered only on the recommendation of the President. The recommendation may include, but is not limited to: a real estate appraisal, property inspection, environmental assessment, eligibility for insurance, title search, history, easements, land planning implications, and zoning. The Board should consider any costs or liabilities inherent in accepting the gift, and may request additional due diligence information or studies prior to accepting the gift including environmental constraints, survey, or land-use designation/zoning.
3. A charitable donation receipt may be issued for the appraised value of the property, if eligible. The appraisal must be conducted by an independent expert.
4. Gifts of real property may be accepted by the University if they have the potential to advance the academic or administrative purposes of the University; or they may be considered for sale with the proceeds applied to the mission of the University. In some instances, gifts of real property may be retained if there are economic benefits of retention evidenced by the periodic independent comparative cost/benefit assessments.

**D. Lease of Real Property (Lease out or Lease in)**

1. The University may enter into leases for any lands, buildings, or parts thereof in order to advance its mission and strategic objectives. In order to achieve its mission or strategic directions, the University may enter into leases of lands or buildings or parts thereof that it does not own.
2. The University shall not enter into any lease of real property for a term longer than six years (including any lessee's option for renewal), or for a total rental revenue or expenditure over the term of that lease equal to or greater than ~~\$500,000~~ \$1,000,000 (including estimated income from any revenue-sharing provisions), without the Board of Governors first approving the terms and conditions of any such lease; provided that leases or licenses of space on or in existing structures for utilities or telecommunications equipment or other municipal or governmental infrastructure, for terms of up to twenty (20) years, do not require Board approval.



3. Leases in properties that are under consideration for future development will include demolition clauses that allow Trent University to request a tenant to vacate the premise.

## **SECTION II: TRENT LANDS AND NATURE AREAS PLAN: SYMONS CAMPUS**

The Symons Campus lands are a precious asset the University seeks to steward, develop, and preserve in ways that support the long-term sustainability of Trent, our local, national, and international communities, and the environment around us. Trent recognizes its role as a steward of the land, and intrinsic to this, its responsibility to future generations.

The Trent Lands and Nature Areas Plan (TLNAP) is a high-level framework plan to guide the long-term evolution of the Symons campus. The Plan demonstrates how and where Trent meets its own commitment to maintain 60 per cent of its lands as Nature Areas and green spaces, and identifies suitable areas to locate new campus and community infrastructure. It presents a guiding vision and clear principles to inform implementation to protect and enhance the natural environment. The TLNAP structures the campus into two areas:

**University Green Network:** a connected natural system that includes the 11 Nature Areas and diverse green spaces across the campus, and

**University Districts:** which includes the core campus and areas where campus and community infrastructure can be built to advance Trent's academic mission, build a thriving and complete community to serve the campus, and increase the University's contributions to the region.

The Board of Governors is the approval body, through which decisions about the land are made, and is responsible for approving the TLNAP. The decisions made by the Board of Governors are informed by the work and recommendations of:

**Finance and Property Committee:** which is responsible for the overall monitoring of campus capital building programs, stewardship of heritage assets, and makes recommendations to the Board of Governors for the approval or revisions to the Trent Lands and Nature Area Plan.

**Trent Lands Committee:** which is responsible for oversight and guidance of any development projects to ensure they are consistent with the approved Trent Lands and Nature Areas Plan.

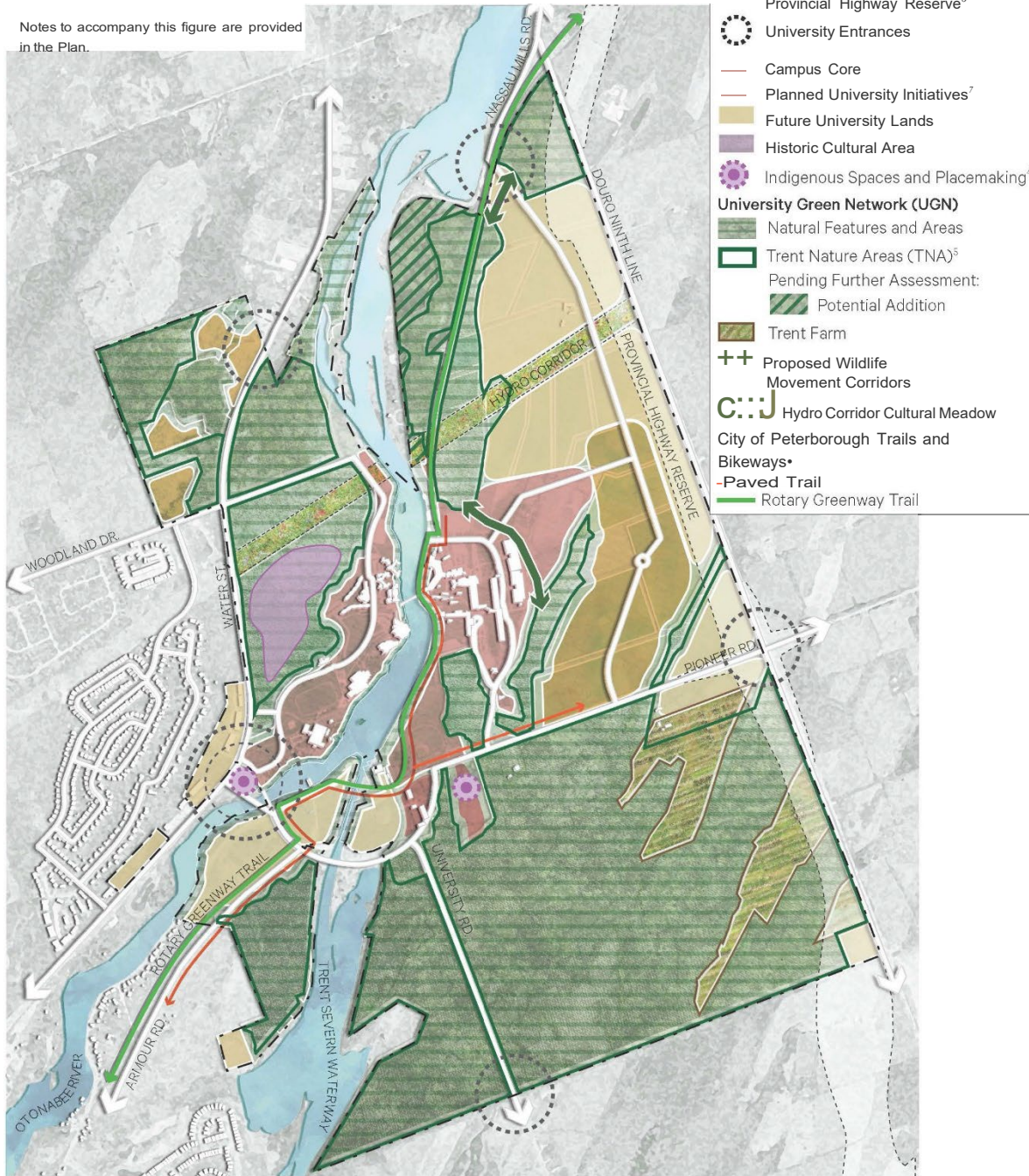
The Board, through these committees, or others that are duly constituted, will ensure that decisions about development or stewardship of the Trent Lands and Nature Areas are consistent with the approved TLNAP.

The Trent Lands and Nature Areas Plan should be reviewed at a high level approximately every **five (5) years**, in order to re-evaluate various elements of the Plan as new information becomes available through detailed studies, reports on monitoring, and ongoing engagement with the campus and community, or as new regulatory policies or plans are approved.

**Special Resolution 11.4 – Appendix A**

**Framework Plan**

Notes to accompany this figure are provided in the Plan.



**LEGEND:**

- Trent University Boundary
- Provincial Highway Reserve<sup>6</sup>
- University Entrances
- Campus Core
- Planned University Initiatives<sup>7</sup>
- Future University Lands
- Historic Cultural Area
- Indigenous Spaces and Placemaking<sup>4</sup>
- University Green Network (UGN)**
- Natural Features and Areas
- Trent Nature Areas (TNA)<sup>5</sup>
- Pending Further Assessment:**
- Potential Addition
- Trent Farm
- Proposed Wildlife Movement Corridors
- Hydro Corridor Cultural Meadow
- City of Peterborough Trails and Bikeways**
- Paved Trail
- Rotary Greenway Trail

SOURCES:  
a. [https://www.peterborough.ca/en/city-services/resources/Documents/Bikeways\\_and\\_Trails\\_Map.pdf](https://www.peterborough.ca/en/city-services/resources/Documents/Bikeways_and_Trails_Map.pdf)

N 500  
C) in metres

### **Guidelines for the Use and Stewardship of the Trent Nature Areas**

The University and the Board of Governors reaffirm their commitment to the lands on the Symons Campus designated as Trent Nature Areas (TNAs) for their natural values and functions. TNAs are to be protected from development. The TLNAP (2021) includes an update to the Nature Areas Stewardship Plan (2002) and recommends the creation of a systems-level plan and management area plans for each Nature Area to guide application of the four management categories, and monitoring, restoration, and enhancement efforts where appropriate.



## Board Committee Report

**Session:**  Closed Session;  Open Session

**Action Requested:**  Decision;  Discussion/Direction;  Information

**To:** Board of Governors

**Date:** December 6, 2024

**Presented by:** Michael Lavallée, Chair Finance and Property  
Tariq Al-idrissi, VP Finance and Administration

**Subject:** 2025/2026 Current Fiscal Environment

### **Motion for Consideration (if applicable):**

That the Board of Governors receive for information an update on the current fiscal environment.

### **Executive Summary:**

This report summarizes the fiscal environment as of November 12, 2024 and includes topics of government grants and funding frameworks, enrolment projections, tuition rate policy, student aid and scholarships, salaries, benefits and pension costs, other expenses and capital planning. Also included is the budget development timeline and process.

The current fiscal environment is challenging, with universities operating in an unprecedented context of restrictions and constraints:

- Frozen operating grants and unfunded domestic enrolment;
- Risks related to performance-based funding under Strategic Mandate Agreements, including at-risk funding if targets are not met;
- Increased requirements under the University Financial Accountability Framework;
- International student visa reductions and caps on study and work permits;
- Reduced and then frozen domestic tuition fees;
- Bill 124 expenses and growing salary pressures; and
- Inflation and escalating operating costs.

This fiscal environment is having a negative impact on enrolment, the key driver in the University's planning. Action will be required in 2025/2026 to achieve a balanced financial position and to remain financially sustainable for the long term.

### **Analysis/Alternatives Considered:**

Appendix A provides details of the current fiscal environment and sensitivities for Trent to consider in the next budget cycle for 2025/2026 to 2027/2028.

### **Financial Implications:**

Please refer to Appendix A for more details.

### **Enterprise Risk Assessment:**

The financial health of the University is paramount to the University's overall success and ability to fulfill its academic mandate and meet student expectations. An assessment of the fiscal environment and the associated sensitivities for Trent must be given careful consideration when making decisions regarding budget planning assumptions, the allocation and use of limited resources, and mitigating strategies if financial loss is anticipated.

### **Next Steps:**

Appendix A includes the budget development timeline and process. The Finance and Property Committee will receive an update on progress with the 2025/2026 operating budget at its next meeting in January 2025.

### **Alignment with Mission, Vision, Values, Strategic Plan:**

To fulfill their responsibilities, Governors should be informed of the University's financial situation. Regular financial updates will maintain Governors' awareness of the University's current financial status and allow for input and oversight where needed. Updates on the fiscal environment are in alignment with Trent's mission to "foster sustainability, in its environmental, social and economic dimensions, on our campuses and in all aspects of our work" and Trent's Strategic Directions to "ensure that it is financially healthy and sustainable".

### **Consultation:**

Trent has prepared the fiscal environment update based on information provided by various sources, including the Ministry of Colleges and Universities (MCU), Council of Ontario Universities (COU), Council of Senior Administrative Officers (CSAO), Council of Ontario Financial Officers (COFO), Council on University Planning and Analysis (CUPA), and other universities. The information regarding pension costs was provided by AON, the Universities' actuaries.

### **Compliance with Policy/Legislation:**

Complying with a Board of Governors directive, the full Board will receive regular financial updates regarding the fiscal environment, through the Finance and Property Committee.

### **Committee/Board Mandate:**

The Board of Governors is responsible for ensuring the financial health of the University and the proper management of its buildings, lands and capital projects. The Finance & Property Committee assists the Board in carrying out these responsibilities by monitoring the institution's financial, property and capital affairs and making related policy recommendations.

In its finance role, the Committee monitors budget projections and debt levels and recommends operating, ancillary and capital budgets for the approval of the Board of Governors. It recommends levels of student fees, spending authority, loans and lines of credit for Board approval. The Committee makes recommendations to the Board for the approval of any contract or purchase the total value of which exceeds the level of spending established for the President. The Committee may make financial policy recommendations to the Board

including but not limited to policies on tuition and ancillary fees, banking, borrowing and purchasing. It may make recommendations to the Board concerning fiscal planning, internal financial controls or other areas affecting the financial health or accountability of the University. The administration may consult with the Committee on the subjects for internal audits and provide follow-up reports.

**Supporting Reference Materials (attached):**

Appendix A – Current Fiscal Environment, November 2024



## **CURRENT FISCAL ENVIRONMENT, BUDGET PROCESS AND TIMELINES**

### **For the 2025/2026 to 2027/2028 Budget Cycle – November 2024**

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#### **INTRODUCTION**

As deliberations begin for the development of the next budget cycle, a wide range of internal and external factors need to be considered in determining the fiscal constraints that will challenge Trent University. In the spirit of open communication and developing budget awareness and accountability at various levels of the organization, what follows is a discussion of various budget factors and the implications for Trent as it seeks input for the update of these assumptions.

#### **BUDGET PROCESS**

The budget process begins in the Fall each year with consultations with the Enrolment Modelling Working Group to determine multi-year enrolment projections that form the key planning assumption on which the operating plan is predicated. Discussions with various groups in the University community regarding the current fiscal environment, the budget process and timelines also take place in the Fall. In mid-November, budget developers receive a budget package that includes: their preliminary base and RCM budgets updated to reflect salary escalation, inflation and other known changes in staffing and other expenses; budget guidelines and key planning assumptions, including multi-year enrolment projections; and a budget adjustment template to aid in the identification of proposed budget reduction strategies or recommended new strategic investments. Budget owners are also encouraged to use their in-year financial statements to assist in monitoring their current year's performance and assessing potential future resource requirements. Budget submissions are due in late December with presentations to the President and Vice-Presidents Committee during February. This year, the intent is to provide a recommended budget to Finance and Property and to the Board of Governors for consideration and approval in March 2025. Schedule A outlines the timelines for this year's consultations and process.

#### **MULTI-YEAR PLANNING**

Multi-year planning is key for Trent to strategically plan its future financial sustainability, especially during challenging financial times. Longer-term budgeting enables development of strategies to adapt to the changing environment and promotes more efficient use of limited critical resources in alignment with the University's Strategic Directions. This year's budget cycle will be for the three years 2025/2026, 2026/2027, and 2027/2028. Each year, the key assumptions used in the rolling three-year budget planning cycle, will be reviewed and updated based on relevant changes in the fiscal environment and more current information. These assumptions will then be communicated to budget account owners for their use in preparing their operating plans.

## KEY ENVIRONMENT FACTORS FOR CONSIDERATION

The current fiscal environment is challenging, with universities operating in an unprecedented context of restrictions and constraints:

- Frozen operating grants and unfunded domestic enrolment;
- Risks related to performance-based funding under Strategic Mandate Agreements, including at-risk funding if targets are not met;
- Increased requirements under the University Financial Accountability Framework;
- International student visa reductions and caps on study and work permits;
- Reduced and then frozen domestic tuition fees;
- Bill 124 expenses and growing salary pressures; and
- Inflation and escalating operating costs.

### Government Grants

Strategic Mandate Agreements: Total operating grants under the SMAs include enrolment (Core) funding, the Performance Grant and Special Purpose grants. The current Strategic Mandate Agreement (SMA3) expires after fiscal 2024/2025. In August 2024, the Ministry communicated the process and mandate for the next agreement, SMA4, which will be for five years commencing with fiscal 2025/2026. The Ministry is focused on their policy objectives, funding model stabilization and review, STEM enrolment, relevant metrics, and accountability requirements.

The SMA4 funding Model will be rolled out in two phases:

1. Phase 1 - the first two years will be characterized by stabilization and review:
  - Available SMA-related enrolment funding will remain steady for all institutions.
    - There will be no funding for domestic enrolment growth.
    - No general corridor reset will be implemented at this time, although the Ministry will provide extended corridor protection by lowering the corridor floor by the amount of enrolment in STEM programs. (Note, the corridor was determined using 2016/20217 enrolment adjusted slightly for graduate growth and nursing expansion).
  - Performance-based funding at risk will remain at 25% of total operating grants:
    - There will be 8 performance-based metrics (6 carried over from SMA3 and 2 new metrics) aligned with skills and job outcomes, and economic and community impact. Failure to meet established targets will result in funding recovery.
    - International students will be excluded from most metrics to ensure focus on domestic students and to mitigate the risk of metric volatility created by the federal government's international study permit application caps.
2. Phase 2 – years three to five will be characterized by advancing the model:
  - The Performance-based grant will increase by 5% each year until at-risk funding reaches 40% of total operating grants.



SMA4 will introduce a new Efficiency, Accountability and Transparency priority area, linking 5% of total operating funding to accountability requirements, including specific deliverables and submissions under the University Financial Accountability Framework (see below). This 5% is in addition to funding tied to the performance-based grant. Institutions that do not meet all the accountability reporting requirements will lose their full 5% allocation.

Special purpose grants are funds provided to address priorities set by the Ministry and are subject to change (or be eliminated) at any time. The continuation and amounts of these grants are usually not known until later in the fiscal year to which they relate.

One-time Post-Secondary Education Sustainability Fund: In February 2024, the Ontario government announced a \$903 million investment over three years through the new Postsecondary Education Sustainability Fund (PSESF) starting in 2024/2025. This announcement also included \$15M, over three years beginning in 2024/2025, through a new Efficiency and Accountability Fund (EAF) to help support third-party reviews that will identify actions institutions can take to drive long-term cost savings and positive outcomes for students and communities.

This funding is one-time, not base funding, and falls short of the increases recommended by the Blue-Ribbon Panel (the Panel) in November 2023. The Panel, established by the Ministry to provide advice and recommendations that would ensure the long-run financial sustainability of Ontario's postsecondary education sector, recommended a one-time increase to base operating funding of 10% commencing in fiscal 2024/2025 followed by annual increases in base bunding of 2% or the rate of inflation. The Panel also recommended adjustments to the corridor midpoints to better reflect changing demographics and increasing demand.

Fall Economic Statement<sup>1</sup>: On October 30, 2024, the provincial government released its *2024 Ontario Economic Outlook and Fiscal Review: Building Ontario for You*. The Fall Economic Statement (FES), focused on affordability for Ontario households, putting money back into Ontarian's pockets and promoting economic development, while taking a targeted, responsible approach to advance Ontario's plan to build.

The FES did not announce any new investments in universities or otherwise signal new measures to address the financial sustainability of the sector. Rather, the FES cited the government's ongoing cut and freeze on tuition as a positive affordability measure implemented by the government and reiterated its February 2024 funding announcement as an investment to put postsecondary institutions on a path towards financial sustainability.

<sup>1</sup> Highlights of the 2024 FES included in this section are taken from the Council of Ontario University's Summary, October 30, 2024

## Sensitivities for Trent

Trent's eligible enrolment exceeded its funded corridor by 44% in 2023/2024 and is projected to remain above the corridor for the duration of SMA4. As operating grants are fixed under the funding model, domestic enrolment growth is not funded, which has a significant impact on the revenue and resources of the University.

For Trent, 25% of total operating grants at risk under the performance-based funding is approximately \$13.6 million. Failure to achieve performance targets may result in lost government funding. To date, the University has met most of its performance targets resulting in minimal funding recovery. The University will need to be vigilant in monitoring its performance against these targets and be cognizant of the impact its financial and academic planning decisions may have on the metrics.

Trent will also need to devote resources to achieving the accountability requirements to retain its 5% funding, roughly \$2.7 million, under the Efficiency, Accountability and Transparency priority area.

If Special Purpose Grants are reduced, there will be added pressure on the operating budget to reallocate resources to offset the loss of revenue in order to avoid the negative impact of discontinuing these much-needed programs.

Trent's funding allocation under the PSESF is \$2.5 million in 2025/2026 and \$3.6 million in 2026/2027. Trent did not qualify for EAF this year. It is important to remember this funding is one-time in nature and may not continue past fiscal 2026/2027.

With fixed Ministry funding, universities including Trent will increase their reliance on growing student enrolment to generate tuition-only revenue, creating more competition and adding more operating pressures to provide the needed recruitment efforts and supports for this student population.

## **University Financial Accountability Framework**

Commencing in 2023/2024, the Ministry implemented its Financial Accountability Framework (the Framework) for universities to support its ongoing commitment to the transparency of financial information and to proactively monitor institutional financial health. This Framework evaluates eight financial metrics/ratios and the University's credit rating to measure the financial health risk of universities across four categories: liquidity, sustainability, performance, and credit rating. An overall action plan is determined by the highest category action plan score from any of the four assessed categories for an institution. There are four types of overall action plans with increasing obligations:

<p style="text-align: center;"><b>No Action</b></p> <p style="text-align: center;">All four categories fall into no action</p>	<p style="text-align: center;"><b>Low Action</b></p> <p style="text-align: center;">University provides a written response within 4 weeks; annual reporting for 3 years or until all categories in low action.</p>
<p style="text-align: center;"><b>Medium Action</b></p> <p style="text-align: center;">University provides a written response within 4 weeks; Internal recovery plan within 3 months; status report every 6 months for 3 years or until all categories not in medium or high actions.</p>	<p style="text-align: center;"><b>High Action</b></p> <p style="text-align: center;">University provides a written response within 2 weeks; confirm Independent advisor procured within 4 weeks; recovery plan verified by advisor with 3 months; status report every 6 months for 3 years or until all categories not in high actions.</p>

Budget decisions will need to be made with careful consideration of their impact on the financial metrics/ratios. For example, taking on additional debt, changes to expendable net assets, depletion of reserves, or incurring deficits may alter the overall action plan classification resulting in more escalating requirements by the Ministry.

#### Sensitivities for Trent

In May 2024, the Ministry communicated the results of its 2022/2023 financial health risk assessment. Trent ranked in the Low Action plan category due to its credit rating. All other financial metrics assessed indicated strong and sustainable financial health of the University. Trent met with Ministry representatives regarding Trent's assessment and submitted the required report back. To date, the University has not received a formal response to its submission. If Trent is unable to improve its credit rating or if its financial metrics decline over the next three years, the Ministry's assessment will escalate to Medium Action, requiring an internal recovery plan and additional Ministry oversight.

Trent's latest credit rating conducted in January 2024 by Morningstar DBRS is A Stable. To move to the No Action category, Trent must move up two levels, from the current A to A High and then to AA low. Two categories of factors are considered by Morningstar DBRS when assessing the credit rating: Critical Rating Factors (CRFs), which generally have greater weight in the core assessment, take longer to change or are simply not in the control of the university, and Financial Risk Assessments (FRAs), which Trent historically performs well on but will continue to be challenged by the University's long-term bond which matures in 2057.

Trent will need to carefully monitor its financial performance and any developments to the Framework that may impact the financial metrics/ratio currently used in the Ministry's assessment of the University's financial health.

## **Enrolment Projections**

The key driver in the University's planning is student enrolment as this generates a significant portion of the University's operating revenue through tuition fees and enrolment-based provincial operating grants. Resources required for academic programming are determined by the number and types of students. Other university operations and support services as well as ancillary services are significantly influenced by the student population. There are many factors that could substantially alter enrolment.

Announcements Impacting International Enrolment: The international student landscape in Canada is evolving rapidly, driven by various political, economic and regulatory factors. In January 2024, the Federal government announced they were limiting the number of international student study permits for undergraduate students (degree-seeking and post-graduate certificates) for the next two years. The issuance of study permits was reduced by 35% across Canada, 50% in Ontario. Included in the announcement were changes to the financial means test, a new Provincial Attestation Letter process and elimination of spousal open work permits, followed by subsequent limitations on the number of off-campus work hours for international students and further reductions in spousal open work permits in April and May 2024. In October 2024, the Federal government announced a further 10% reduction in national study permits issued and expanded the cap to include graduate-level students.

These policy changes have negatively impacted Canada's reputation, creating significant uncertainty among international students who are no longer considering Canadian institutions for their university level studies thereby significantly reducing international student intake. In 2024, there were 43% fewer study permits issued in Canada. The impact is expected to worsen as the government adds more constraints and Canada's reputation suffers further. Universities are also experiencing more deferrals and withdrawals. This in turn is driving universities to enhance recruitment activities, diversify into additional countries, some with more financial needs and risks than others, and increases competition for domestic students.

General Enrolment Considerations: A university's academic program offerings, location and its reputation are major considerations for students in their choice of institution. Changes to entrance averages may influence the university's ability to maintain intake growth within manageable levels. Changes to the scholarship program and OSAP program may alter the decisions of students. The level of scholarships, financial aid, student supports, and wraparound services offered by a university can influence the affordability for students of tuition, housing and meal plans, and other costs to attend post-secondary education. The lack of affordable housing across Ontario may result in fewer new students, or deferral and/or withdrawal by current students due to inability to pay. Continuation rates may change depending on student needs or the University's ability to meet higher student demand. The increase in deferrals and reliance on transfer students are also factors that need to be considered.

## Sensitivities for Trent

Trent University has a solid reputation in Ontario and Canada, ranking #1 in Ontario for highest quality and #2 in Canada and in Ontario for best overall, most innovative, and developing leaders of tomorrow in the primarily undergraduate category. Due to its reputation and its recruitment and retention initiatives, Trent has experienced significant enrolment growth since 2016/2017 when the corridor under the current Ministry funding framework was first established. Total full-time equivalents (FTEs) have grown from 8,356 in 2016/2017 to 13,275 in 2023/2024, a 58.9% increase. Despite the current international climate discussed above, the forecast for 2024/2025 indicates overall enrolment will remain over 13,000 FTEs.

For this budget cycle, senior administration is recommending a conservative approach to enrolment projections largely due to the continuing uncertainties and challenges of the current fiscal environment, in particular the restrictions on international student intake. This approach will allow the University to plan sufficient resources and address capacity challenges related to planned enrolment while ensuring the budget is flexible to respond to any unmet enrolment targets.

Domestic enrolment above the corridor is not funded and the decline in international student intake places additional pressures on the operating budget resources required to maintain the quality of academic programming, financial aid and student support. The additional competition for domestic and international enrolment and uncertainties creates additional risk to the University's ability to achieve its enrolment projections necessary to maintain financial health for the foreseeable future.

## Tuition Rate Policy

The Ministry's Tuition Fee Framework (the Framework) applies to all publicly funded programs at each year of study for funding-eligible students (primarily domestic graduate and undergraduate students). This policy is governed and monitored by the provincial government through the annual Tuition Fee Compliance report.

In March 2019, the Ministry approved the Framework that mandated a 10% reduction in tuition fees for the 2019/2020 academic year compared to 2018/2019 and a tuition fee freeze for the 2020/2021 academic year. The Ministry subsequently extended the tuition fee freeze until the end of 2023/2024. In February 2024, the Ministry further extended the tuition fee freeze for at least three more years, effectively freezing domestic tuition fees at the reduced rates for eight years. This continued freeze is in direct contradiction to the recommendations of the Blue-Ribbon Panel, which proposed a one-time increase in domestic tuition rates of 5% in 2024/2025 and subsequent increases each year of the Framework of 2% or the rate of inflation.

Across the sector, universities are advocating to allow an increase in domestic tuition rates, suggesting the ability to raise fees in recognition of escalating costs and inflation. Students are seeking tuition rate reductions, citing financial affordability concerns.

Under the current Tuition Fee Framework, the Ministry does allow for the option of a fee increase of up to 5% for domestic out-of-province fees. Such a fee increase generates nominal incremental tuition revenue for most Ontario universities.

In May 2023, the Ministry approved tuition adjustments for certain programs with lower-than-sector-average tuition rates for comparable programs, referred to by the Ministry as Tuition Anomalies. With Ministry approval, institutions may increase tuition rates by 7.5% each year on up to three programs where domestic tuition rates are more than 15% lower than the sector average. Most universities received approval for Tuition Anomalies adjustments but state the revenue generated through this initiative is not significant as the increases apply to new cohorts only.

The Tuition Fee Framework does not apply to programs that are ineligible for operating grant funding (e.g. full cost recovery or self-funded programs) and most international students. Therefore, international tuition rates are subject only to Board approval. Many universities, including Trent, are planning to increase their international tuition rates by 2% to 8%. When considering rate increases, it is important to balance student perceptions of quality and affordability in an effort to grow international enrolment within a highly competitive environment.

#### Sensitivities for Trent

The continued freeze results in domestic tuition rates that have not kept pace with escalating costs. Implementing the increase for domestic out-of-province students provides very nominal additional revenue for Trent and is challenging to administer. The Tuition Anomalies adjustments are also initially not material for Trent, although they will grow somewhat as new cohorts enter the three eligible programs. Changes to the policy have the potential to make a significant impact on the University's revenues.

Based on a survey done in 2024, Trent has the second lowest international tuition fees of Ontario universities. Senior administration is recommending the same increases to international fees applied in the 2024/2025 budget be maintained in this budget cycle just to remain competitive. With fixed Ministry funding, many universities including Trent, are adopting an enrolment growth strategy reliant on tuition-only revenue and increasing recruitment activities to offset inflationary pressures.

#### **Student Aid and Increased Scholarship Utilization**

Student aid and scholarship expense is a highly variable cost dependent primarily on student enrolment, academic qualifications of the student body and the academic program (in particular for graduate studies).

The Ministry requires universities to reserve a portion of additional revenue resulting from tuition fee increases to eligible domestic students to ensure that institutions can meet Student Access Guarantee (SAG) requirements for need-based student aid and provide other forms of assistance to students in need. Recent changes to OSAP have increased the University's SAG obligation, making it more difficult to meet other commitments for

bursaries, work study programs, and needs-based scholarships. These changes are putting increased pressure on the scholarship budget. The current estimate for tuition set-aside is 6% of tuition fee revenue for eligible domestic undergraduate and graduate students.

In addition to scholarships and awards offered and the required tuition set aside, students are facing increased financial and housing challenges requiring more financial assistance. There is also a growing need for wraparound services and mental health supports. Additionally, the University provides assistance to international students with things like immigration requirements, visa applications, international travel arrangements and establishing themselves in Ontario to study. All of these additional supports increase the financial commitments of the University.

### Sensitivities for Trent

The University has historically provided a high level of student aid relative to comparator universities, consistently standing at or near the top of university rankings in the percentage of its operating budget expended on scholarships and bursaries. Due to the increased competition for domestic and international enrolment, the University is increasing its scholarship awards and re-instating full tuition for high achieving students, a strategy discontinued in 2018/2019. These changes will put additional pressure on recruitment efforts to offset the additional cost of the enhanced program.

Careful monitoring of the scholarship program will be required. As enrolment increases, so too does scholarship and financial aid costs. As entrance grades increase, the academic qualifications of the student body will increase thereby increasing scholarship utilization. In addition, it will be important to monitor the impact of any changes in the scholarship program with respect to the University's reputation and rankings.

Undergraduate domestic and international scholarship costs are estimated on a per FTE basis using prior years' experience. In addition, the University estimates undergraduate international scholarships and fee waivers as a percentage of undergraduate international tuition revenue. Trent also sets aside 2.0% of undergraduate international tuition for additional student supports.

Graduate scholarship expense varies significantly depending on the program. For research and thesis-based graduate programs, the University estimates expenses for graduate scholarships, research fellowships and awards are about a third of the related tuition revenue. This estimated rate applies to both domestic and international graduate students. In addition, graduate international fee waivers and bursaries for international graduate students in research and thesis-based programs are estimated at over half of international graduate tuition revenue.

## **Salaries, Benefits and Other Employee–Related Expenses**

Compensation increases for all employee groups are based on collective agreements and progression through the ranks and the University will continue to see an escalation of salary costs. In 2023/2024, salaries comprised over 60% of operating expenditures.

Bill 124 passed legislation in November 2019 restricting salary increases to 1% (excluding merit and step increases) for a three-year period commencing on the expiry of existing collective agreements. The Bill was struck down in November 2022, making salary constraints no longer applicable for subsequently negotiated settlements. For those universities with reopener clauses in their collective agreements, this change is creating potential for significant retroactive salary increases. Those universities, like Trent, without reopener clauses but with employee groups that completed all or part of the moderation period while the Bill was in place are experiencing significant salary escalation in the form of cost-of-living adjustments.

In general, inflation and the cost of living are driving substantial increases in salary costs. In addition, Ontario's minimum wage increased by 3.9% effective October 1, 2024.

Due to the current fiscal economic, employee benefits, namely health care, dental and long-term disability, are also increasing for the sector.

### **Sensitivities for Trent**

At the time of this report, the collective agreements for all union employee groups were settled or pending ratification. Most of Trent's union groups and exempt staff completed the mandatory moderation period. This resulted in significant cost of living adjustments for subsequently negotiated agreements, which adds to the operating pressures of the budget. The collective agreements for Trent's largest employee groups, TUFA and OPSEU, both expire in June 2025.

Based on current information from the University's benefits consultants, Trent is anticipating an overall increase in benefit costs. Extended health care, dental and long-term disability are expected to increase 12.5% to 15% in 2025/2026 and 7.5% to 20% in subsequent years. Increases in benefit costs are currently under negotiation to reduce the impact on the operating budget.

The University's contract for its current employee assistance program is amended annually based on headcount as reported each February. It is expected the cost of the program will increase due to increased utilization, headcount and inflation.

Increases in full-time academic and administrative staff substantially increases the compensation pressures imposed on Trent. Very careful consideration to full-time positions should be considered. In addition, minimum wage increases affect operating departments and ancillary services, such as Athletics, that rely heavily on part-time student and casual employees.



## Pension Costs

Pension costs are a significant expense on universities' budgets and are susceptible to material fluctuations as market volatility can impact the ability to achieve the long-term rate of return required to sustain the going-concern obligations, which are inversely related to the discount rate, of the plans without increased contributions and/or future benefit reductions.

The funding rules for pension plans in Ontario have changed effective for any valuation dates on or after December 31, 2017, eliminating solvency relief. There is now a requirement to include a provision for adverse deviations (PfAD), an explicit margin applied to both the going concern liability and normal cost when determining minimum calculations. The resulting increase in liability due to PfAD is only partly offset by the elimination of the conservative margin when calculating the discount rate.

In 2021, the University Pension Plan (UPP) was established as a jointly sponsored pension plan for the sector. Under the UPP, solvency special payments and Pension Benefits Guarantee Fund payments are no longer required. Having a larger pool of assets also helps improve the financial sustainability of the pension plan.

### Sensitivities for Trent

Effective January 1, 2022, the University transferred the assets and liabilities of its Faculty Pension Plan to the University Pension Plan (UPP) and began accruing pension benefits under the UPP. The University is now exempt from special solvency payments and the Pension Benefits Guarantee Fund payments regarding the Faculty Plan. However, Trent remains 100% responsible to fund any losses or benefit from any gains on pre-conversion assets and liabilities for 9.5 years following conversion. Trent will need to continue to carry a provision in the operating budget for the potential pre-conversion losses associated with the Faculty Plan for the duration of this budget planning cycle.

The University is in the process of transferring its Staff Pension Plan to the UPP with an effective date of January 1, 2025. With Ministry approval, required solvency special payments are currently being addressed by a Letter of Credit. The use of a Letter of Credit to defer required solvency special payments will negatively impact the University's borrowing capacity temporarily until the conversion date. Similar to the Faculty Plan, Trent remains 100% responsible to fund any losses or benefit from any gains on pre-conversion assets and liabilities for 10 years following conversion. Trent will need to continue to carry a provision in the operating budget for the potential pre-conversion losses associated with the Staff Plan for the duration of this budget planning cycle.

Trent remains responsible for the Supplementary Retirement Agreement annual benefit payments, which have increased due to the increase in retirees. The annual benefit payments will be required from the operating budget as the assets in the plan were depleted in November 2018.

## **Agency Fees**

With the growing competition for international enrolment under the current political environment, many universities are diversifying to different countries and relying heavily on agents to recruit qualified students to Canada. Agency fees are highly dependent on the international enrolment and tuition revenue they bring to the institution.

### Sensitivities for Trent

International enrolment is a strategic priority for Trent. Therefore, the University's reliance on agents used to recruit international students is expected to increase. The increased competition across the sector will put pressure on Trent International's recruitment efforts and will add to the operating expenses pertaining to agency fees. Trent is currently estimating agency fees are approximately 4.8% of international tuition revenue. The increased fees are offset by international tuition revenues collected.

## **Utilities**

One of the most significant cost pressures felt by all Ontarians is the escalating cost of utilities and these costs are expected to continue to increase for the next year.

### Sensitivities for Trent

Based on recent projections by Trent's utilities consultants, Trent is anticipating an increase of between 5% and 6% in electricity, gas and water costs. While the University is implementing energy reduction projects, energy savings will not be realized in the immediate term as these savings are being used to finance the projects.

Careful consideration of the impact of forecasted future rate changes for utilities will be required in developing the budgets for 2025/2026 and beyond as rates and/or utilization may substantially change over the three-year budget cycle.

## **Insurance**

Current economic and environmental issues, including cybersecurity incidents and climate-related events, have resulted in significant increases in insurance costs.

### Sensitivities for Trent

Based on recent projections by Trent's insurance provider, Trent is anticipating an annual increase of 5% on property insurance, liability and cybersecurity premiums.

Careful consideration of the impact of forecasted future rate changes for insurance premiums and additional insurance coverage, if necessary, will be required in developing the budgets for 2025/2026 and beyond.

## **Investment Returns and Interest Rates**

A university's Endowment Funds are highly susceptible to market volatility and fluctuations in interest rates. Endowment funds are restricted donations received by the University where the endowment principal is required to be maintained intact in perpetuity. The investment income generated from these endowments must be used in accordance with the various purposes established by the donors. The University must ensure, as part of its fiduciary responsibilities, that all contributions received with a restricted purpose are expended for the purpose for which they are provided. Many universities rely on the investment income to support initiatives that may not be afforded from operating budgets.

With declining interest rates, interest earned on short-term investments and cash deposits will negatively impact the operating budget.

### **Sensitivities for Trent**

The annual distribution from Trent's Endowment Fund was adjusted in 2019 to 3.5% due to declining asset returns and to ensure the financial sustainability and preservation of original capital in the Fund. In June 2022, a new Endowment investment strategy, including a revised asset mix and a change to active management, was implemented to improve investment returns and maintain the current annual spending rate. The annual payout from the Endowment fund provides much-needed student supports and scholarships.

Trent will need to monitor Endowment and investment returns carefully in this current economic environment to ensure the original capital in the Endowment Fund is not eroded.

## **Inflation**

Inflation continues to be an operating pressure for universities due to a number of factors, including market volatility, the Russian-Ukrainian war, the middle-east conflict, climate change and adverse weather events, labour shortages, and supply chain issues. The Bank of Canada continues to take efforts to lower inflation. In September 2024, Canada's annual inflation had fallen to 1.6%. Inflation means lost purchasing power and is driving up the cost of most goods and services, including construction costs, while labour shortages are causing employee compensation to escalate. Supply chain issues are resulting in longer lead times and higher prices for supplies. Higher inflation and interest rates are impacting investments, particularly for endowments and pension plan assets.

### **Sensitivities for Trent**

Certain non-staff expenses are subject to inflation, currently estimated at 2.0% for each year in this budget cycle. The University will need to maintain an adequate inflation provision, which will divert some resources that would otherwise be available for new investments.

## **Ancillary Services**

Ancillary services, by their nature, are expected to be self-sustaining business units. In most universities, ancillary services make a contribution to the operating budget to offset administration and support received by operating departments.

Across the sector, most of the ancillary services are in fair financial health and have started to rebuild reserves depleted by the prolonged pandemic. These reserves are critical to future capital and infrastructure renewal.

Declines in enrolment will negatively impact ancillary service revenues. Ancillary departments may not be able to react quickly enough to reduce costs sufficiently to offset any revenue losses. Losses in excess of reserves may need to be absorbed by the operating budget. Furthermore, contributions to the operating budget based on a percentage of revenue will negatively impact the operating budget.

### **Sensitivities for Trent**

Ancillary services at Trent typically pay an administration overhead charge of 6.62% to offset administration and support provided from the operating budget. Careful planning and monitoring is necessary to ensure sufficient reserves are accumulated for capital and infrastructure renewal.

## **Capital Renewal**

Capital renewal (also referred to as deferred maintenance) on the physical infrastructure remains a challenge for all Ontario universities and was a current focus of the recent Auditor General's audits of universities. Many universities rely on the Facilities Renewal Program (FRP) funding to help address priority deferred maintenance.

### **Sensitivities for Trent**

Capital renewal remains a challenge for Trent and further investment is needed. Trent received \$3.6 million in its Facilities Renewal Program funding for 2024/2025, which is the University's primary source of funding used to address high-priority capital renewal projects. A reduction in the amount would decrease the University's ability to address the backlog.

Balancing other demands, the University will always consider funding capital renewal through strategic investments and/or appropriations. Critical projects are determined on a case-by-case basis; there may not be sufficient resources or flexibility within the budget to fund these high-risk capital renewal projects.

## **Capital – Information Technology**

With the increased emphasis for online learning and remote work environment, IT infrastructure has become a key focus to the University's success. Significant investment has been made in the past couple of years under the Training and Equipment Renewal Fund. Ongoing improvements and technological supports will be required in the next few years.

### **Sensitivities for Trent**

IT capital spending remains a challenge for Trent and consideration should be given to the level of increased funding needed in this area to support learning and uninterrupted services. Trent relies heavily on the Training and Equipment Renewal Fund as a source of funding for its IT capital initiatives.

## Schedule A – Timelines

The following table summarizes the timelines for the budget development.

<b>Preliminary Enrolment and Financial Planning Discussions</b>	
Enrolment Modelling Working Group	September 10, 17 and 24, 2024
President / Vice President Committee	October 2 and 29, 2024 November 4 and 11, 2024
Strategic Enrolment Management Committee	October 8, 2024
<b>Fiscal Environment, Process and Timelines Consultations</b>	
Special OPSEU Joint Committee	October 24, 2024
Senior Management Committee	November 11, 2024
Provost's Planning Group	November 12, 2024
Special TUFA Joint Committee (FISC)	November 12, 2024
Administration Planning Group	November 20, 2024
Operations Managers Group	November 20, 2024
Faculty Board	November 22, 2024
Finance and Property Committee	November 26, 2024
Colleges and Student Services Committee	December 4, 2024
Board of Governors	December 6, 2024
<b>Budget Preparation</b>	
Guidelines and budget packages provided to Budget Owners	November 14, 2024
Budget submissions due to Financial Services	December 19, 2024
Presentations to President / Vice President Committee	February 10-13, 2025
President / Vice President Committee review of proposals	February 14, 2025

<b>Draft Budget Update Discussions</b>	
Provost's Planning Group	TBD
Operations Managers Group	TBD
Administrative Planning Group	April 3, 2025
Faculty Board	TBD
Special TUFA Joint Committee	TBD
Special OPSEU Joint Committee	TBD
Senate	TBD
<b>Budget Approvals</b>	
Finance and Property Committee	March 18, 2025
Board of Governors	March 28, 2025



## Board Report

**Session:**  Closed Session;  Open Session

**Action Requested:**  Decision;  Discussion/Direction;  Information

**To:** Board of Governors

**Date:** December 6, 2024

**Presented by:** Valentine Lovekin, Chair Nominating & Governance Committee  
Julie Davis, VP External Relations & Development  
Brenda Blackburn, University Secretary

**Subject:** **Special Resolution III.8 – Board Diversity Policy**

### **Motion for Consideration (if applicable):**

That the Board of Governors approve revisions to Special Resolution III.8: Appointment of Members of the Board of Governors – Board Equity, Diversity and Inclusion Policy as presented (or amended).

### **Executive Summary:**

At the September 28, 2023, meeting of the Nominating and Governance Committee, it was suggested that policies should be reviewed on an ongoing basis.

As per the review schedule, Special Resolution III.8 – Board Diversity Policy was reviewed with input from the Equity, and Human Rights Office at Trent University, Governor Yancy Craig, and Governor Emeritus Harvey McCue.

Changes included, expanding the application of the policy to include committee members, expanding gender diversity beyond women (including two-spirit, trans and non-binary), including substantiation of Indigenous identity, removing outdated statistical information related to students who have a disability, and removal of the goal associated with Central Ontario as there are no other objectives in the policy that establish goals. Other proposed revisions to the policy centre mainly around language updates – such as expanding “diversity” to “equity, diversity and inclusion”, replacing “minority” with “equity deserving”, and “member of a visible minority” to “who identify as racialized”.

### **Analysis/Alternatives Considered:**

None

### **Financial Implications:**

None



**Enterprise Risk Assessment:**

Board policies and processes should be reviewed on a regular basis to ensure compliance and consistency.

**Next Steps:**

Once approved the policy will be updated on the Board website and Board handbook.

**Alignment with Mission, Vision, Values, Strategic Plan:**

The Board is governed by the by-laws and special resolutions.

**Consultation:**

Equity, and Human Rights Office  
Governor Yancy Craig  
Governor Emeritus Harvy McCue

**Compliance with Policy/Legislation:**

Special Resolution I.3 – Nominating & Governance Committee Terms of Reference

**Committee/Board Mandate:**

The Nominating & Governance Committee’s terms of reference states that the Committee will “monitor the Board’s governance practices, structures, by laws, regulations and performance and report, with recommendations if indicated, to the Board annually in this regard.”



## Board Special Resolution III.8:

# Appointment of Members of the Board of Governors – Board Equity, Diversity and Inclusion Policy

**Category:** Board of Governors

**Approval:** Board of Governors

**Responsibility:** University Secretary

**Date:** June 22, 2012, Revised: January 29, 2016, March 23, 2018, November 23, 2022 (housekeeping), October 18 December 6, 2024 (Tentative)

### Policy Statement:

As an organization in a diverse and multi-cultural country, Trent University embraces equity, diversity and inclusion and seeks to reduce traditional or systemic barriers to the appointment of individuals to serve on the Board of Governors and Board Committees. Among those who may face such barriers to serving as governors of major public institutions are members of Ethnic, Racial, Linguistic and Religious minorities, Indigenous persons, persons with disabilities, women, members of the Two-Spirit, Lesbian, Gay, Bisexual, Trans and Queer (2SLGBTQ+) communities and youth.

The Board is of the view that equity, diversity and inclusion of membership enhances the ability of a governing body to be responsive to the communities it serves, and to make balanced, creative decisions. As Trent University strives for excellence as an organization, it will promote equity, diversity and inclusion to fully utilize differences in backgrounds and perspectives in its governance structures.

While maintaining the primary objective of ensuring that members of the Board of Governors and its external committee members, on the whole, represent the necessary range of skills and experience required to lead a significant public sector institution, the Board is committed to working towards more equity, diversity and inclusion within its membership. Trent University aims to maintain diverse gender balance on the Board and to promote the participation of groups who are underrepresented on the Board and its committees. In this way, the Board will be more reflective of the membership of Canadian society and of the University itself. Trent University will work towards the removal or reduction of systemic barriers that ~~have prevented~~ may prevent the full participation of minority-equity deserving groups in university governance.

### 1.0 Member Appointments:

Pursuant to Special Resolution II.1, the Nominating and Governance Committee

directly oversees the nominations process for the at-large seats on the Board and Board committees. Nominations for the balance of the Board seats, save for the seats held by the President and the Chancellor, are generated by democratic elections processes within the University Community.

## 2.0 Equity, Diversity and Inclusion Goals

The Board sets for itself the goal of bringing a wider range of backgrounds, perspectives and information to the Board table by increasing opportunities for women, youth, ~~i~~Indigenous persons, persons with a disability, visible and non-visible minorities and members of the Two Spirit, Lesbian, Gay, Bisexual, Trans and Queer communities to be represented on the Board and its committees. This will be achieved through the removal of traditional barriers to participation in university governance and finding ways to encourage participation from within these underrepresented groups.

## 3.0 Equity, Diversity and Inclusion Objectives

With respect to those seats for which nominations are directly managed by the Nominating and Governance Committee, the Nominating and Governance Committee will have, as its foremost aim, the nomination of persons who meet the skills requirements of the Board in a given year based on the Vacancy Profiles and Skills Matrix but, where attainable within the Matrix, the Committee will strive to achieve the following objectives:

- i. The Board will ~~maintain gender diversity~~ mindfully consider representation and inclusion of diverse genders with the goal of ensuring ~~that equitable representation of either gender does not fall below 40% of the total external seats~~ including women, two-spirit, trans and non-binary community members;
- ii. As the governing body of an institution ~~with a commitment that is a leader in the area of Indigenous Studies in Canada, and in recognition of the surrounding Indigenous people to Truth and Reconciliation~~, the Board will have as its objective the appointment and maintenance of more than one governor ~~of Indigenous descent on the Board continuously~~ who is an Indigenous person. ~~For the sake of clarity, Indigenous descent shall be determined, in part, by a demonstrated affiliation with either a known First Nation, Métis or Inuit community or a recognized First Nation, Métis or Inuit organization~~ Substantiation of Indigenous identity will follow other parallel Trent University policies;
- iii. As a university with a diverse student population and a thriving international student program, the Board will have as its objective the appointment and maintenance of ~~more than one governor who is a member of a visible minority~~ multiple governors who identify as racialized;
- iv. ~~The proportion of students at Trent University who have a disability exceeds the national average within the 15-24 age group~~. To properly understand the needs of ~~these~~ students who have a disability and enhance the educational opportunities for disabled persons, the Board will make an active effort to recruit persons with disabilities with the goal of the appointment and maintenance of ~~more than one~~ multiple governors ~~who has~~ have a disability;

Founded on the ideals of equality and respect for the individual person, Trent University ~~is a University that~~ welcomes and supports members of the Two Spirit, Lesbian, Gay, Bisexual, Trans, and Queer communities (2SLGBTQ+). The Board will take positive steps to review the manner in which it seeks Board and committee members to accept that opportunities to serve on the Board of Governors come to the attention of members of the 2SLGBTQ+ communities.

- v. Created by and for the communities in central Ontario, Trent University has long maintained a strong place economically, culturally and socially within this region. To ensure these strong linkages remain and to drive success for the University and the communities it supports, the Board will have as its goal to ~~ensure have, by 2015, that~~ representation of members from Central Ontario ~~does not fall below 30% of the total external seats. For the purposes of this section, Central Ontario includes the Counties of Northumberland, Quinte, Hastings, Peterborough and Haliburton, the Regional Municipality of Durham, and the Cities of Peterborough, Kawartha Lakes and Prince Edward County.;~~
- vi. The Board will welcome nominations of candidates from “non-visible” underrepresented groups including Ethnic, Cultural, Linguistic and Religious minorities.

#### 4.0 Equity, Diversity and Inclusion Strategies

The Board will take the following steps toward achieving its diversity objectives:

- i. The Nominating and Governance Committee will undertake an annual survey review of the composition of the entire Board, ~~including designated internal and ex-officio seats,~~ to achieve an annual ‘diversity-snapshot’ of the Board and to measure progress toward achieving the equity, diversity and inclusion goals-objectives established within this policy;
- ii. The Nominating and Governance Committee will request that Board and Committee candidates complete the equity, diversity and inclusion survey upon application to the Board;
- ~~iii.~~iii. The Nominating and Governance Committee will review the existing and traditional strategies utilized by the Committee for Board recruitment to identify and begin to remove systemic barriers to the participation of underrepresented groups;
- ~~iii.~~iv. The Committee will actively seek nominations from within the communities that are under-represented on the Board. In doing so, the Committee will consider advertising Board vacancies to organizations who represent or advocate for these groups. The Committee may also consider inviting members of underrepresented groups to help the University identify strategies to bring about increased participation in governance;
- ~~iv.~~v. The Secretariat will ~~conduct a review aim to~~ identify systemic and other barriers to participation by underrepresented groups in the election processes for internal appointments and, where necessary, revise these processes to encourage candidacies from members of these groups.

## 5.0 Board and Vacancy Profiles

Selection criteria for board [and committee](#) positions should be clear and publicly available through board and vacancy profiles. Board profiles identify the competencies needed by the board as a whole to achieve its mandate and strategies. Vacancy profiles set out the specific skills and qualifications needed by candidates to be considered and selected for an available position.

Profiles increase transparency by demonstrating that all candidates will be evaluated against the same criteria. The primary criterion is skill; the selection of board [and committee](#) members is first and foremost based on merit. [Equity, Diversity and inclusion](#) is taken into consideration ~~through its inclusion~~ as a required element in the board profiles.

These profiles must be communicated to all applicants, and to staff, volunteers and board members involved in recruitment, screening, and selection of candidates. To reduce barriers to participation, board and vacancy profiles should be assessed in a way that is flexible enough to allow applicants to demonstrate the required skills through a range of experience and formal qualifications.

The Nominating and Governance Committee will identify the number of vacancies available in any given year in or about January and will be responsible for generating Vacancy Profiles based on the skills required by the Board and the [equity, diversity and inclusion](#) goals set within this policy.

Vacancy Profiles will, at a minimum, be announced and promulgated on the University's website and formal dates will be established for the receipt of nominations by the Committee for current vacancies.

Contact Officer:  
University Secretary

Date for Next Review:  
~~March 1, 2023~~ [December 2027](#)



## Board Report

**Session:**  Closed Session;  Open Session

**Action Requested:**  Decision;  Discussion/Direction;  Information

**To:** Board of Governors

**Date:** December 6, 2024

**Presented by:** Michael Lavallée, Chair Finance and Property Committee  
Cathy Bruce, President and Vice Chancellor  
Tariq Al-idrissi, Vice-President, Finance & Administration

**Subject:** Sustainability & Energy Plan: Annual Update.

### **Motion for Consideration (if applicable):**

That the Board of Governors receive the Sustainability & Energy Plan annual update for information.

### **Executive Summary:**

This report marks the first year of implementing Trent University's Sustainability and Energy Plan (2024), highlighting early progress, and laying the groundwork for ongoing impact. The plan aims to reduce environmental impact, increase campus-wide engagement, and strengthen Trent's leadership in sustainability.

This initial phase focuses on embedding sustainability goals across campus, establishing foundational activities, and fostering alignment with our long-term vision. Building on our historic actions, these early actions create a baseline for future tracking. Subsequent reports will build on this groundwork to reflect annual progress toward Trent's sustainability goals.

With its adaptable approach, the plan will continue to evolve alongside emerging opportunities, supporting Trent's commitment to environmental stewardship, responsible change, and community involvement in building a more sustainable future.

### **Analysis:**

The Sustainability and Energy Plan (2024) is organized by the three guiding principles that shape our commitment to sustainable operations and leadership. We analyze the actions and programs undertaken for each principle, with supporting context and the ability to track future metrics. The guiding principles reflect the core objectives driving Trent's sustainability efforts: reducing environmental impact, facilitating increased engagement, and demonstrating leadership and accountability.

The initiatives and accomplishments summarized here demonstrate Trent's active start in reducing emissions, increasing waste diversion, and expanding stakeholder engagement. This analysis also starts to build a foundation for year-over-year benchmarking. It reinforces Trent's commitment to new opportunities, tracking outcomes, and adaptive approaches as we pursue our sustainability goals.

## **Guiding Principles and Updates**

### **Principle 1: Reducing Environmental Impact**

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**Goal:** Reduce greenhouse gases (GHG) carbon emissions in operations to assist the province in reaching its target of 37 percent reduction by 2030 and a target of Net Zero by 2050.

Actions:

- Advanced the Campus Carbon Path and Existing Building Commissioning (EBCx) projects, receiving approval and mobilizing with Blackstone Energy Services Inc.
- Offered full-day training to Mechanical Electrical Services staff and critical campus partners on the principles and practices of an EBCx program to support effective change management.
- Mechanical Electrical Services completed an HVAC project that included duct sealing, air balancing, and the installation of Variable Frequency Drives (VFDs). This project is expected to save \$165,000 in operating costs and 164 tonnes (t) of carbon annually. The vendor awarded this project the Energy & Sustainability Impact Award.
- Mechanical Electrical Services increased lighting efficiency in Bata Library (metrics not yet available).
- Updated Trent's historical GHG impacts presentation to support the next steps and offer transparency of our historical GHG reductions.
- Completed the 2023 GHG Inventory, submitted for compliance under O. Reg 25/23 and posted to the Sustainability Office (SO) website.

Metrics/Context: The Campus Carbon Path project will provide the university with the details, cost, and comparison to business as usual needed to set firm targets and timelines and understand the resources required.

GHG calculations at Trent are complex. Before 2012, Trent owned, operated, and supplied the campus with power through the Stanley Adamson powerhouse. After 2012 the powerhouse was leased to Peterborough Utilities Inc. to operate. This report goes beyond the complexities of the agreement. However, the power is now supplied to the grid and Trent collects a payment for the energy generated. To normalize the GHG calculation for historical trending, we assume that power has always been purchased from the grid.

Trent established a baseline GHG inventory program in 2007 and has set this as our baseline year. When normalizing the calculated reduction, Trent's emissions reduction is 34.3% or 10,188t in 2007 to 6694t in 2023. This reduction is impressive knowing that Trent has also grown in this time. Establishing a clear baseline will be part of the carbon path planning. The supporting reference material provides additional materials linked to historical impacts on Trent's GHG inventory.

**Goal:** Complete an initial Scope 3 (defined in the supporting reference material) GHG inventory.

Actions:

- Staff from the sustainability office and procurement meet monthly to advance Trent's opportunities to collect data relating to Scope 3. This discussion's operating classes have begun with car rentals, office supplies, and air travel.
- The Campus Carbon Path will include an initial Scope 3 inventory with data available.

Metrics/Context: Scope 3 emissions inventories are increasingly prevalent in post-secondary impact assessments. This inventory scope can represent a sizable portion of an institution's overall carbon impact.

**Goal:** Become a Zero Waste campus by 2028 (90% diversion).

Actions:

- The Facilities Management divisions collaborated to switch all washroom garbage bins to compost. A pilot test showed that 99+ % of the waste in washroom bins was already paper towels.
- The Environmental Services division refined the classroom waste program by establishing new stations for large classrooms and removing waste bins from inside the classroom.
- Introduced a college Zero Waste Challenge to elevate student awareness and action. This is offered in the winter and fall terms.
- Increased education and outreach efforts for students through support from the Trent fund, volunteer enhancement, and student-facing programming.

Metrics/Context: Trent's 2023 annual waste audit estimates waste diversion at approximately 80%. The definition of Zero Waste requires 90% diversion. Efforts are underway to advance reduction and diversion programs to strengthen the overall waste management strategy. Additionally, changes under the Resource Recovery and Circular Economy Act of 2016 will introduce a standardized recycling program in Ontario by 2026. Steps are being taken now to measure the impact of this change and align the campus program to achieve Zero Waste by 2028.

**Goal:** Maintain a low water use model on campus through building retrofits and new developments.



Actions:

- Developed a new water conservation web page for the sustainability website.
- Included water conservation in student sustainable campus living pledge.

Metrics/Context: In the summer of 2007, a residence campaign began to encourage water conservation practices in residences. This campaign involved fixture retrofits, reminder stickers, and supplemental education resources. A dedicated showerhead retrofit focused on quick, deep reductions, and the subsequent residence bathroom renovations allowed for low-flow toilets and faucets. Overall, the reduction has been approximately 40%. This program is in the maintenance stage.

## Principle 2: Facilitate Increased Engagement

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**Goal:** Leverage communication tools to increase awareness and participation amongst key university stakeholders in sustainability and energy management activities/initiatives.

Actions:

- Collaborated with Campus Tours to 'green' their script, offering prospective students' insight into campus sustainability features.
- Launched a new sustainability mascot program. Students receive a Groundhog sticker and earn stickers as they engage in campus sustainability events throughout the year.
- Collaborated with Career Space on their new volunteer initiative, hosting more than 50 volunteers during 2024 who provided peer-to-peer education and support for properly sorting waste.
- Collaborated with Career Space on their new micro-credential 'Working in NGOs.' The micro-credential is comprised of modules. The first module is on integrating sustainability and was launched in October.



Metrics/Context: Trent offers an established and robust student engagement program. This activity does continue to require improvement. Efforts are underway to align these efforts with the plan's goals and targets.

**Goal:** Use example activities to grow university stakeholders' capacity to take positive action in advancing unit-specific sustainability initiatives and providing meaningful support to campuswide initiatives.

Action: A Sustainability Spotlight initiative was launched with four initial campus units (departments/divisions) including Environmental Services, Food Services, Procurement, and Convocation who are leading the way in sustainable practices. Together, we

developed spotlight features highlighting their efforts and impacts, which will soon be published on the website.

**Metrics/Context:** Currently, four campus units are participating in this process. These spotlights aim to engage and inspire other sections to pursue sustainability within their own portfolios. Moving forward, we will use these spotlights to support collaborations with additional campus partners, expanding sustainable practices across campus, enhancing this effort. The long-term goal is a campus wide approach.

**Goal:** Convene a forum for groups on campus advancing social aspects of ESG to facilitate conversations assessing Trent's current efforts, proposing additional opportunities, and exploring relevant metrics.

**Action:** The SO hosted a student placement to conduct an initial internet scan of Trent's current programs and campus efforts related to the social dimension of ESG.

**Metrics/Context:** Trent's Board Directions 2022-2026/27 outline an objective to "establish an ESG framework". Advancement of the social dimension of ESG will progress through various institutional paths that will benefit from a similar plan to address social and governance areas.

### **Principle 3. Demonstrate Leadership and Accountability**

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**Goal:** Receive recognition as a sustainability leader among Canadian universities.

**Actions:**

- Submitted the application and received the International Living Futures Institute's Zero Carbon Certification for the Forensics Crime Scene Facility
- Prepared a submission to the Carbon Leadership Forum annual awards for the Forensics project. (results pending)
- Prepared a submission to the Greenest Employer rankings in support of HR's application to Canada's Top 100 Employers. (results pending)
- The President's Office to prepare a submission to the Times Higher Education Impact Rankings. (results pending)

**Metrics/Context:** The Trent forensics building is the first building in Canada and the 11th in the world to earn the ILFI's Zero Carbon Certification.

**Key attributes:**

- **Negative Embodied Carbon:** stores more carbon (13.1t) than was used in the extraction and manufacturing of the materials used to build it.
- **Renewable Energy:** The 33kw solar array generates 25% more energy than the building requires and supplies this to Otonabee College.
- **EUI (building energy efficiency)** of Forensics is 0.35GJ/m<sup>2</sup>, which is ~65% more efficient than the Canadian College/University average.

**Goal:** Demonstrate leadership by seeking opportunities to amplify impact and leverage best practices with local and provincial audiences/collaborators.

**Actions:** Through engagement under the Plan, we are shifting toward an integrated program approach that fosters a deeper understanding of the sustainability activities led by Trent staff and faculty. These efforts strengthen Trent's collective leadership in amplifying impact and building capacity beyond our campuses. The following is an initial list of activities closely aligned with the Sustainability Office at this stage of the Plan's implementation. This is offered with the acknowledgement that it only scratches the surface of existing efforts underway at Trent.

**National Efforts:**

- **Construction & Climate Action:** Collaborated with Housing, Infrastructure and Communities Canada to support their development of a Climate Toolkit. Trent's Forensics building will be an example case study. (tentatively winter 2025)
- **Sustainable Food Services:** Trent's Sustainability Coordinator is working to help build increased capacity through a national coalition for sustainability in food services. This is an effort led by Chartwells, and with Trent's strong leadership in this area, it has the potential to drive important systems change.

**Provincial:**

- **Sustainable Procurement:** Trent's procurement office actively works on advancing sustainability through the Ontario Universities Professional Procurement Management Association (OUPPMA)
- **Circular Economy:** Trent's Sustainability Coordinator serves as the Subject Section Chair for Circular Economy for the Ontario College and University Sustainability Professionals.

**Local:**

- **Local Business:** Trent's Sustainability Coordinator offers her expertise on the Advisory Committee for the local Green Economy Peterborough initiative, which is under the Green Economy Canada umbrella and designed to support small to medium-sized businesses in understanding their unique role in advancing sustainability and measuring their impacts.
- **Local Community:** Trent has supported GreenUP's efforts throughout its 30 years of community support in homes, schools, and businesses. Trent's Sustainability Coordinator is GreenUP's current Chair.

**Financial Implications:**

There are no financial implications to receiving this report.

Effective implementation of the Sustainability and Energy Plan will require mobilizing additional resources. A single FTE drives cross-functional team collaboration, change management, and the full spectrum of program activities including program design, communications, and strategic partnerships and analysis.

This resource capacity needs to be improved for a program of this scale and complexity if Trent wishes to move the needle in sustainability. Securing additional staffing and resources is a near-term priority to ensure the plan's continued success and impact. Trent's reputation as a sustainability leader is important in recruitment, partnerships, and broader institutional success and should be factored into resource planning.

### **Enterprise Risk Assessment:**

Trent's commitment to environmental leadership is vital to reinforcing our reputation and aligning with institutional goals. However, as the global response to climate change intensifies, Trent's sustainability efforts must remain distinctive and impactful. While initiatives under the Sustainability and Energy Plan are progressing primarily within the environmental pillar, the Institution would benefit from a similar work plan to address social and governance areas.

### **Next Steps:**

Begin the Carbon Path Plan and Enhanced Building Commissioning (EBCx) project. This project aims to set Trent on a clear path to decarbonization while improving building efficiency, bringing us closer to a zero-carbon campus.

Conduct annual Waste Audit (December 2): This audit, which is focused on assessing the impacts of new regulations, will inform our strategy to advance Trent's zero waste goal.

Strengthen the Sustainability & Energy Plan Implementation group. Building capacity and focusing on cross-departmental collaboration will support integration and alignment to the plan's goals and targets. This team will focus on phasing and deepening sustainable practices across departments and enhancing the planned integration of initiatives.

Launch the Unit Spotlight Initiative (2024): This initiative will recognize and promote sustainability practices across departments by offering leadership by example. The intention is to inspire those not yet engaged to see their potential role in advancing sustainability within their unit activities.

Expand student outreach (Winter Term): New programming will highlight Trent's activities' alignment with the UN SDGs, while the mascot incentive program will continue to reward sustainable actions among students.

Organize training for the Project Management Office (PMO): Life cycle impact training for the PMO will guide sustainable decision-making in construction and renovation, aligning projects with Trent's environmental goals.

Leverage broader partnerships and opportunities: We will continue to pursue local, provincial, and national collaborations to expand our exchange of sustainability ideas and solidify Trent's position as an evergreen leader in environmental stewardship. We will also strive to bring greater visibility and coherence to sustainability-related efforts across campus networks.

### **Alignment with Mission, Vision, Values, Strategic Plan:**

The progress detailed here directly supports the University's mission to "foster sustainability" across environmental, social, and economic dimensions and aligns with the Board's goal to "reduce Trent's carbon footprint" as outlined in the Board Directions 2022-2026/27.

Progress also supports the Environmental aspects of the Board's Strategic Directions Theme 1 Goal to "establish an ESG framework that includes a focus on the environment and climate change and the reduction of Trent's carbon footprint." (Board Directions 2022-2026/27, p.7).

### **Consultation:**

During the plan's initiation, the project team provided opportunities for stakeholders from both campus locations, including students, faculty, staff, alumni, Indigenous, and community members, to get involved through a survey and focus sessions. Consultation occurred from March to June 2023. The process received over seven hundred survey responses and held over twenty group focus sessions. This level of response is high and well-received.

Since the plan's adoption, the sustainability office has created an implementation working group from different areas in the institution. The group includes faculty, housing, food services, science facility personnel and various Facilities Management Divisions.

The Campus Carbon Path and EBCx will kick off shortly. This long-term planning tool will also include extensive consultation moving forward.

### **Compliance with Policy/Legislation:**

The Sustainability and Energy Plan continues to align with O.Reg 25/23, with data transparency maintained through annual reporting.

Waste audits completed are required under O.Reg. 102/94 Waste audits and Waste Reduction Work Plans.

### **Committee/Board Mandate:**

The Board of Governors is responsible for ensuring the financial health of the University and the proper management of its buildings, lands, and capital projects. The Finance & Property Committee assists the Board in fulfilling these responsibilities by monitoring and making recommendations relating to the institution's financial, property, and capital affairs and related policy recommendations.

### **Supporting Reference Materials (attached):**

[Trent's 2023 Waste Audit.](#)

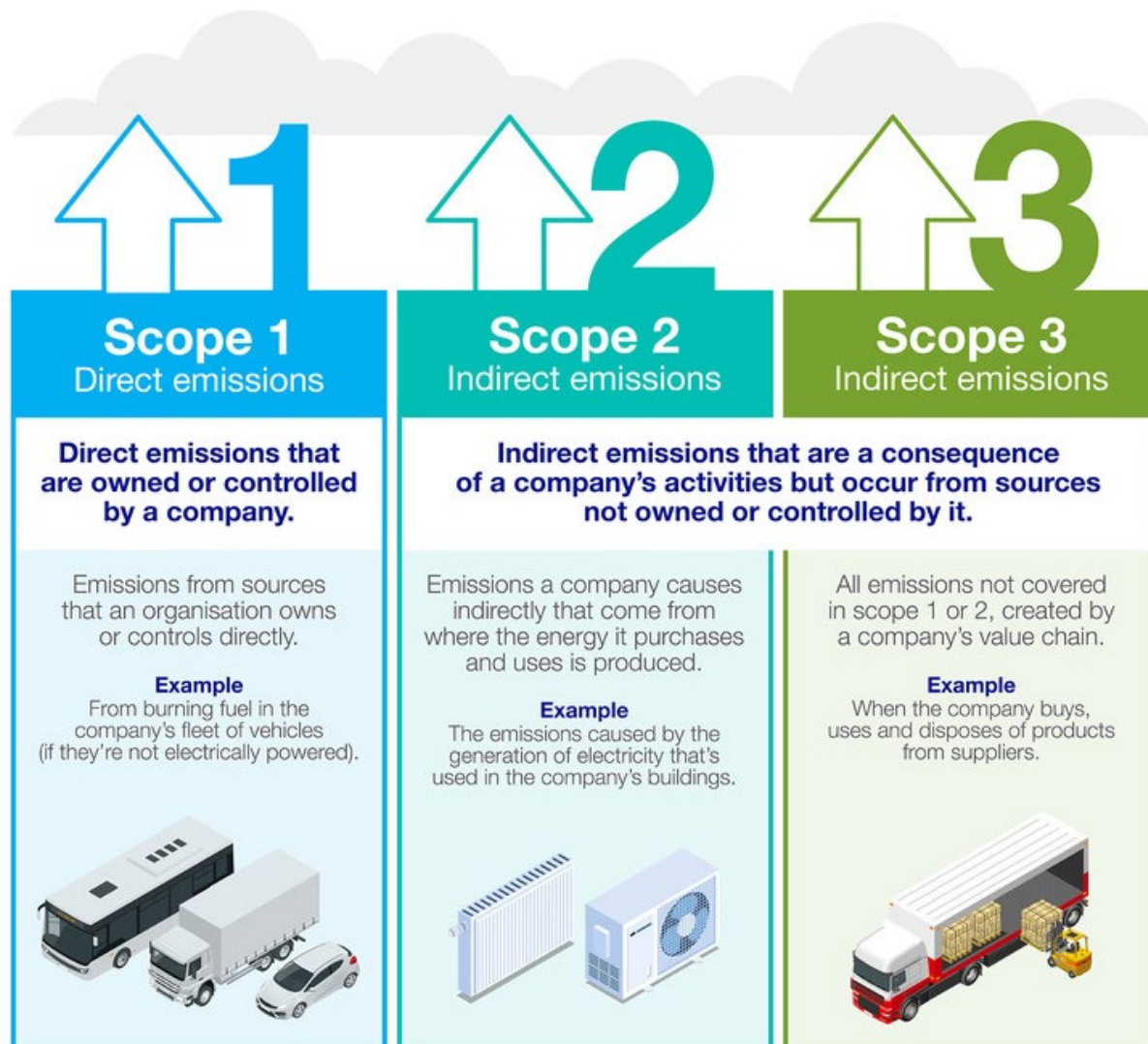
[Trent's GHG current and historical context.](#)

[Trent University Sustainability & Energy Plan, 2024.](#)

## Emissions

# What are Scope 1, 2 and 3 carbon emissions?

The three scopes are a way of categorising the different types of greenhouse gas emissions created by a company, its suppliers and its customers.



# United Nations Sustainable Development Goals

