



University
of Victoria

**UNIVERSITY OF VICTORIA
BOARD OF GOVERNORS
Tuesday, September 30, 2014
11:00 a.m. – 12:00 p.m.
Senate and Board Chambers**

DRAFT AGENDA - OPEN BOARD

Welcome

1. Approval of Agenda

2. Minutes

a) Minutes of Regular Meeting of June 23, 2014 (*attached*)

MOTION:

THAT the minutes of the open session of the regular meeting of June 23, 2013 be approved.

3. Business Arising

4. Remarks from the Chair

5. Correspondence

- a. Message from Minister de Jong, dated July 10, 2014
- b. Letter from Minister Virk, dated August 1, 2014
- c. Letter from Minister Virk, dated September 16, 2014

CONSENT

6. Audit Committee (B. Van Ruyven)

a. Government Reporting Entity Quarterly Reports – Period Ending June 30, 2014 and Approval of Budget for Audited Consolidated Financial Statements BOG-Sept30/14-16

MOTION:

THAT the Board of Governors approve the 2015 Public Sector Accounting Standards (PSAS) budget to be reported on the 2014/15 University of Victoria Consolidated Financial Statements as per Schedules A and B.

7. **Operations and Facilities Committee (M. Kennedy)**
 - a. **Status Report on Capital Projects** BOG-Sept30/14-11
 - b. **Annual report on University of Victoria approved Research Centres** BOG-Sept30/14-28
8. **Finance Committee (L. LeBlanc)**
 - a. **Short Term Investment Report to June 30, 2014** BOG-Sept30/14-06

MOTION:
THAT the Board of Governors approve the revised Short Term Investment Policy FM5200 as per Appendix 8.
 - b. **Long-Term Disability Trust – 2014/15 Financial Statements** BOG-Sept30/14-08

REGULAR

9. **Operations and Facilities Committee (M. Kennedy)**
 - a. **Facilities Condition: Associated Risks** BOG-Sept30/14-12
 - b. **Academic Staffing, Recruitment, and Vacancies Report** BOG-Sept30/14-01
 - c. **Campus Plan Update** BOG-Sept30/14-13
 - d. **Update on the Strategic Research Planning Process** BOG-Sept30/14-26
10. **Finance Committee (L. LeBlanc)**
 - a. **2014/15 Budget Expenditure Allocation Report** BOG-Sept30/14-04
 - b. **Update on Divestment Requests**
11. **President's Report**
 - a. **Community Engagement at the University of Victoria** – Overview by Vice-President External Relations Carmen Charette with Leslie Brown, Special Advisor to the Provost on Community-University Engagement
 - b. **Other matters**
12. **Other Business**
13. **Adjournment**



University
of Victoria

UNIVERSITY OF VICTORIA

BOARD OF GOVERNORS

Monday, June 23, 2014, 2:30 p.m.

Administrative Services Building, Boardroom 120

OPEN BOARD

DRAFT MINUTES

Present: Dr. Erich Mohr (Chair), Mr. Nav Bassi, Ms. Jane Butler McGregor, Prof. Jamie Cassels, Ms. Ida Chong, Dr. Peter Driessen, Mr. Murray Farmer, Ms. Lucia Heffelfinger Orser, Mr. Michael Kennedy, Ms. Lindsay LeBlanc, Ms. Isobel Mackenzie, Ms. Tracy Redies, Ms. Emily Rogers, Ms. Beverly Van Ruyven, Prof. Barbara Whittington, Dr. Julia Eastman (Secretary)

By Invitation: Dr. Howard Brunt, Ms. Carmen Charette, Ms. Gayle Gorrill, Ms. Samantha Watkins

1. Approval of Agenda

The agenda was approved as circulated.

2. Minutes

a) Minutes of Regular Meeting of May 27, 2014

MOTION (B. Whittington/N. Bassi):

THAT the minutes of the open session of the regular meeting of May 27, 2014 be approved.

CARRIED

3. Business Arising

There was none.

4. Remarks from the Chair

There were none.

5. Correspondence

There was none.

CONSENT

6. Operations and Facilities Committee (M. Kennedy)

- a. Status Report on Capital Projects BOG-June24/14-12**
- b. Due Diligence Reports 2013 BOG-June24/14-14**

7. Finance Committee (L. LeBlanc)

- a. Tuition Schedule Update BOG-June24/14-28**

MOTION:

THAT the Board of Governors approve the revised Tuition Schedule for 2014-15.

- b. University of Victoria Staff Pension Plan Investment Performance Report for the period ended March 31, 2014 BOG-June24/14-04**
- c. University of Victoria Staff Pension Plan Financial Statements for the year ended December 31, 2013 BOG-June24/14-05**
- d. University of Victoria Staff Pension Plan Compliance Report for the Year Ended December 31, 2013 from the Pension Plan Governance Committee BOG June24/14-06**
- e. University of Victoria Staff Pension Plan Amendments to Statement of Investment Policies and Goals BOG-June24/14-03**

MOTION:

THAT the Board of Governors approve the following amendments to the University of Victoria Staff Pension Plan Statement of Investment Policies and Goals (the SIP&G) effective immediately:

That the benchmark for Fixed Income be amended from 'DEX Universe Bond Index' to 'FTSE TMX Canada Universe Bond Index.'

- f. **Revision to University of Victoria Staff Pension Plan, Amendment No. 28** BOG-June24/14-15

MOTION:

THAT the Board of Governors approve of the following revision to Amendment No. 28 and that the effective date of the revision be October 1, 2011:

Under SECTION 4 – MEMBER CONTRIBUTIONS

Add as Subsection (9):

(9) A Member's required contributions under Subsections (1) to (5) of this Section 4 shall not exceed the limits in subparagraph 8503(4)(a)(i) of the Income Tax Regulations under the Income Tax Act.

Pro Forma Motion (B. Van Ruyven/L. LeBlanc):

That the above items be approved by the Board of Governors by consent.

CARRIED

REGULAR

8. Operations and Facilities Committee (M. Kennedy)

a. 2014/15 Five Year Capital Plan BOG-June24/14-13

Mr. Kennedy reviewed the Five Year Capital Plan. He provided a summary of the discussions that took place at the committee meeting regarding the nature of the plan and sources of funding. He said there had also been a discussion regarding buildings and facilities and that an update would be provided in September.

MOTION (M. Kennedy/T. Redies):

THAT the Board of Governors approve the 2014/15 Five Year Capital Plan and submit capital priorities to the Ministry on the basis of the Capital Plan.

CARRIED

b. University of Victoria Institutional Accountability Plan BOG-June24/14-20

Mr. Kennedy reported that the University of Victoria Institutional Accountability Plan was now brought to the Board for approval as a result of the examination on board governance conducted by the Office of the Auditor General earlier in the year. He thought the plan was a good summary of the university's mission and operations.

MOTION:

THAT the Board of Governors that the Board of Governors approve the University of Victoria Institutional Accountability Plan and Report.

and

That the Board of Governors authorize the President and the Board Chair to make any final adjustments to the Institutional Accountability Plan and Report.

CARRIED

c. Sustainability Action Plan: Campus Operations 2014-2019 BOG-June24/14-19

Mr. Kennedy said the committee had reviewed and discussed the Sustainability Action Plan. Committee members had agreed that, by all measures, the university was in a very good state with respect to sustainability on campus.

Prof. Whittington reminded Board members that the university had received the gold star in the Sustainability Tracking, Assessment & Rating System (STARS).

9. Finance Committee (L. LeBlanc)

a. 2013/14 Year End Management Statements and Budget Review BOG-June24/14-08

Ms. LeBlanc reported that the committee had received a lengthy presentation with respect to this item.

b. 2013-14 Year End Financial Reports BOG-June24/14-07

Ms. LeBlanc said the Financial Reports had been brought to the Committee and approved following discussion.

MOTION (L. LeBlanc/T. Redies):

THAT the Board of Governors approve the Statement of Financial Information for the year ended March 31, 2014 and that the Chair of the Board of Governors and the Vice-President Finance and Operations be authorized to sign on the Board's behalf.

CARRIED

10. Executive and Governance Committee (E. Mohr)

Dr. Mohr reviewed the Board Governance Checklist. He said the proposed changes were a result of the recommendations made by the Office of the Auditor General during their examination of board governance.

a. Review of Board Governance Checklist (attached)

MOTION (E. Mohr/B. Whittington):

THAT the Board of Governors approve the posting of the updated board governance checklist, as circulated, on the university's website for 2014/15 as part of UVic's accountability framework.

CARRIED

11. President's Report

a. Update on the UVic Difference Project

Ms. Carmen Charette, Vice-President External Relations and Mr. Bruce Kilpatrick, Director, University Communications and Marketing provided an update on the UVic Difference Project.

Ms. Charette reported that further work had been done on a UVic narrative since the last Board discussion. Since mid-May 21 consultation sessions had been held with faculty and staff. Ms. Charette said the conversation at these sessions had focused on the narrative and how it would be brought to life. Ms. Charette explained there had been lots of discussion about the narrative being true and authentic to what the university is now and what it aspires to be. She reviewed the narrative and changes that had been made since the last meeting, and discussed key positioning building blocks.

In response to a question by Ms. Redies, Ms. Charette said that cooperative relationships were covered under hands on learning. Prof. Whittington noted that included practicums.

Mr. Kilpatrick provided an update on the creative brief. He reported that the university would be making use of existing institutional assets including the logo, the UVic motto, martlets and flag. He said a communications and marketing plan was being developed and reviewed next steps.

Ms. Charette discussed the possibility of adopting a tagline and shared examples from other universities. She asked Board members for input on the use of taglines; what qualities they thought a UVic tagline should have; and what steps they thought should be taken in the next 6-9 months to ensure a successful implementation of the new

positioning. In response to a question from Prof. Whittington, Ms. Charette said that they had received some tagline proposals but it was too early to share at this time.

In response to a question from Ms. Redies, Ms. Charette said they were working with a consulting firm on this project. With respect to a tagline, Mr. Kilpatrick said one would only be used if it contributed to achieving the goals of the project.

Ms. Chong asked whether the university was prepared to spend the money to develop a tagline. In response, Mr. Kilpatrick said development of a tagline had been factored into the parameters of the current budget.

Mr. Kilpatrick reviewed the next steps.

In response to a comment by Dr. Driessen, Ms. Charette said the UVic Difference Project would not set priorities. Instead, the project built on initiatives that have taken place or are underway. She cited a connection to the Senate approved learning outcomes.

b. President's report

National:

Prof. Cassels reported that he had attended the Association of Universities and Colleges of Canada (AUCC) annual general meeting. He said the AUCC was giving attention to the new Canada First Research Excellence Fund with funding of \$1.5 billion over the next ten years for research.

Provincial:

Prof. Cassels reported on the status of the Core Review. He said the government had not yet announced any next steps.

Prof. Cassels provided an update on the work of the Research Universities' Council of British Columbia (RUCBC).

Prof. Cassels reported on a number of events on campus including:

- Community university conference
- CAUBO conference
- Event to announce our new Chancellor, Shelagh Rogers
- President's circle dinner
- Retirees dinner
- Craigdarroch Research Awards
- Distinguished Entrepreneur of the Year event
- Spring Convocation Ceremonies
- Emergency response exercise for the Executive regarding a fire in residence

With respect to other matters at the university Prof. Cassels announced:

- applications for the university had increased by 12%
- Vice-President External Relations Carmen Charette had won a prestigious Walter Hirschfeld award in recognition of her contributions to Canada's research community
- UVic ranked fourth overall in Canada in the Leiden Rankings for scientific impact
- UVic ranked fourth in Canada in U-Multirank
- UVic won the "Most Entrepreneurial Post-Secondary Institution of the Year" award from Startup Canada Awards for BC

12. Other Business

Prof. Cassels announced that this was Dr. Brunt's last Board meeting and last week as Vice-President Research. He said that Dr. Brunt was known for his ethic of service, his collegiality and his optimism.

Dr. Brunt thanked the Board for its support.

Dr. Mohr thanked Dr. Brunt and retiring Board members, Ms. Jane Butler McGregor, Dr. Peter Driessen, Ms. Lucia Heffelfinger Orser, Ms. Emily Rogers and Prof. Barbara Whittington for their contribution to the Board.

13. Adjournment

There being no other business, the meeting adjourned at 3:35 p.m.

From: Minister, FIN FIN:EX
Sent: Thursday, July 10, 2014 11:53 AM
Subject: Message from Minister de Jong

Dear Board Chair:

Further to Premier Clark's announcement on June 11, 2014 on public sector accountability, I am writing to provide details of government's direction to standardize the code of ethics/standard of conduct for employees in the public sector which is a part of that initiative.

<http://www.newsroom.gov.bc.ca/2014/06/accountability-principles-strengthen-public-sector-governance.html>

The Crown corporation and core reviews conducted to date have identified opportunities to enhance public sector agencies' accountability to taxpayers. One of these opportunities is greater standardization of codes of conduct for employees in much of the broad BC public sector. This will be achieved through the establishment or revision of codes of conduct by all Crown corporations, Health Authorities, and post-secondary education institutions. Each organization must have such a code though there is flexibility to tailor the code for each public sector organization's unique circumstances. Codes of conduct will be approved by the Minister responsible for the *Public Sector Employers Act* (the Minister).

Attached is a list of headings and brief descriptions that must be considered as you revise or develop your code. It is not exhaustive and may include elements not relevant to your organization. I encourage you to add additional headings where appropriate. If you feel some are not relevant to your circumstances, please discuss them with staff at the Public Sector Employers' Council Secretariat (PSEC) before providing PSEC with your draft code for my approval.

Of particular importance is the requirement that your code must include clear post-employment restrictions, which, at a minimum, must be equal to the conditions used by the public service. These conditions include a one year restriction on employment with an outside entity employees have a business relationship with and the requirement to immediately disclose the prospect of other employment. Any exemption from these requirements will require my approval.

PSEC will be pleased to work with your organization by providing feedback on your draft code of conduct as it is drafted or revised. Once approved by the Minister, agencies will be expected to embed the codes into terms of employment as soon as feasible, and staff at all levels are to verify that they are familiar with the relevant code of conduct. For CEO's and other employees with individual contracts, the terms of the code of conduct are to be embedded in the contract voluntarily as soon as the standards of conduct receive approval, or with the necessary notice period.

A revised code of conduct is to be provided to PSEC for approval by the Minister by the end of October, 2014 and to be available on a public website by the end of November, 2014. As part of the development process, PSEC will consult with employers to create an enforcement process for your organization's code of conduct. Implementation of your revised or new code will, of course, require notification of affected employees. It is recognized that some elements of the code may apply

differently depending on the level of position one occupies within an organization and the work of the organization itself.

The new guidelines for codes of conduct also support the June 2014 revisions to the Executive Compensation Disclosure Guidelines. Starting this year, the disclosure requirements have been strengthened to require disclosure pre and post-employment contracts, remuneration paid by other affiliated organizations, and an enhanced attestation for Board Chairs. Full disclosure of compensation paid to your top five executives is a requirement, and any variation from an approved compensation plan requires my approval.

In writing, please acknowledge your receipt of this direction and confirm your board's commitment to meet the requirements contained within.

If you have any questions about these requirements, please contact Chris Rathbone (Chris.Rathbone@gov.bc.ca) or Lindsay Coburn (Lindsay.coburn@gov.bc.ca) at the PSEC Secretariat.

Yours sincerely,

Michael de Jong, Q.C.
Minister responsible for the *Public Sector Employers Act*

Attachment: Standards of Conduct Guidelines for the B.C. Public Sector – July 2014

Standards of Conduct Guidelines for the B.C. Public Sector

July 2014



Standards of Conduct Guidelines for the B.C. Public Sector

Executive summary

Further to Premier Clark's announcement on June 11, 2014 on the new taxpayer accountability principles, government is now providing detailed guidance to standardize codes of ethics/standards of conduct for employees in the public sector.

The Crown corporation and core reviews conducted to date have identified opportunities to enhance public sector agencies' accountability to taxpayers. One of these opportunities is greater standardization of codes of conduct by establishing or revising codes of conduct for all provincial public sector organizations including Crown corporations, health authorities, and post-secondary institutions.

Objective

Each public sector entity must have a code of ethics/standards of conduct for employees in the public sector. The guidelines provided by government allow flexibility to tailor the code to each public sector organization's unique circumstances. Codes of conduct will be approved by the Minister responsible for the *Public Sector Employers Act*.

Purpose

Integrity is a core value of the B.C. public sector. It is a fundamental principle that all public sector entities are accountable for their actions, and ensure they demonstrate integrity in their behaviour and general conduct of business, and that they act in an honest and ethical manner at all times. Public sector entities must ensure the decisions they make reflect the priorities and values of government and their shareholders—the citizens of B.C.

Each public sector entity will develop its own code of ethics/standards of conduct to set out certain principles and standards of conduct that all personnel are expected to follow in their day-to-day dealings with customers, suppliers, fellow employees, investors, governmental agencies, other stakeholders, competitors, and with the communities in which their organization does business.

Scope

The scope of the code of conduct will vary depending on the nature of the agency. At a minimum, each public sector entity must consider the headings in this document as they revise or develop their code of ethics/standards of conduct. In the event these headings do not apply, public sector entities should inform and discuss this with the Public Sector Employers' Council (PSEC).

Several examples from existing codes of conduct from Crown agencies are provided under these headings, which are available to use as a reference. Codes may be augmented by appendices that provide more detail on policies or legislation.

Elements to consider in developing codes of ethics/standards of conduct

Statement of purpose and application of the code

Describe the level of management or position titles this code or specific sections apply to the organization, and the organization's expectation that the spirit and intent of this code will be adhered to by those who enforce it and those who are guided by it. This is where it is appropriate to mention that it is every employee's obligation to learn and understand this code, and to note where employees can discuss any questions or concerns they may have with this policy (see references section, B.C. Public Service, page 1).

Integrity, Impartiality and Accountability

An overarching statement on the importance of the principles listed in this section may be appropriate.

Conflict of interest	<p>Describe conflict of interest. This includes how staff will avoid real or perceived conflicts of interest between their work and personal interests to ensure that honest and fair decisions can be made by each employee on behalf of the organization.</p> <p>Taxpayer accountability principles: Accountability & Integrity</p>
Conflict of interest principles	<p>Describe the organization's conflict of interest principles. This may include: a set of questions that an employee could ask himself or herself to see if that individual is in a conflict of interest (see ICBC, page 4); or a set of guidelines (see BCLC, page 12).</p> <p>Taxpayer accountability principles: Accountability & Integrity</p>
Conflict of interest disclosure – including investment activity	<p>Describe any specific situations where it is necessary for an employee or board member to disclose a conflict of interest, how this can be done, to whom, and when this needs to be completed.</p> <p>Taxpayer accountability principles: Accountability & Integrity</p>
Future employment restrictions	<p>Describe the organization's restrictions on future employment for current employees, paying particular attention to executives. Further guidance in this area may be found in the section below on how previous employees can use corporate knowledge. This section should also be supported by the conflict of interest policies. At a minimum, these restrictions must be equal to those in the B.C. public service. This includes a one-year restriction on employment with related entities and the requirement to immediately disclose the prospect of other employment.</p> <p>Close liaison with PSEC, and potentially legal advice, may assist in determining the application of this section for the organization. If required, PSEC will assist by providing feedback on how to develop policy in this area and how to apply this section. The exemption process must include approval by the Minister responsible for the <i>Public Sector Employers Act</i>.</p> <p>Taxpayer accountability principles: Integrity</p>

Acceptance of gifts, entertainment, benefits and favours (include a policy on travel points in this section)	<p>Provide the organization's position on what, if any, gifts, entertainment, benefits, or favours (including cash) are acceptable (and if so, to what maximum dollar value). This section should also mention where and when it is appropriate or necessary to report offerings to the organization.</p> <p>Taxpayer accountability principles: Integrity</p>
Outside interests/impartiality	<p>Describe the organization's policy on impartiality. The intent of this section is to ensure that a decision made by a public sector employee is not influenced or perceived to be influenced by a personal interest. This section may refer back to the "conflict of interest and disclosure" section. At a minimum, the policy must provide guidance to employees in the areas listed below:</p> <ul style="list-style-type: none"> ○ outside business interests; ○ non-profit societies and charities; ○ professional associations; ○ business relationships with suppliers and contractors (past, present and prospective); ○ politics or political parties; ○ outside employment; and ○ interaction with stakeholder business. <p>Taxpayer accountability principles: Integrity</p>
Personal conduct	<p>Describe the organization's policy on personal relationships in the workplace. It would be appropriate to provide detail on which organizational decisions, including (but not limited to) hiring, evaluation, or promotion, are not acceptable by a decision-maker who has a personal relationship with an employee who could benefit from the decision (see ICBC, page 9).</p> <p>Specific to the organization, describe the policy on transactions between employees and the organization, and where employees may use or leverage their role as employees to gain personal advantages (see ICBC, page 17).</p> <p>Outline behaviour that is inappropriate for a representative of the organization to display outside of work see (see ICBC, page 24). This section may refer to personal business that employees are engaged in outside of the organization.</p> <p>Taxpayer accountability principles: Respect & Integrity</p>
Use of corporate property, including retention of records, patents and discoveries (intellectual property rights)	<p>Describe the organization's policy on using corporate property, which may include in its scope all physical information, intellectual property and human resources assets managed by the organization. See BCLC's code for examples of physical asset language. Hydro One provides a description of intellectual property language (see Hydro One, page 20).</p> <p>Taxpayer accountability principles: Service</p>

Protection of Privacy

An overarching statement on the importance of the principles listed in this section is appropriate, including a reference to the Freedom of Information and Protection of Privacy Act (see BCLC, page 19). The list below is not exhaustive and should be added to as appropriate.

Client/customer	Describe the organization's policy for protecting client or customer personal information (see ICBC, page 21). Taxpayer accountability principles: Respect & Integrity
Contractor	Describe the organization's policy for protecting contractor information (see BCLC, page 20) Taxpayer accountability principles: Respect & Integrity
Supplier	Describe the organization's policy for protecting supplier information (see BCLC, page 20) Taxpayer accountability principles: Respect & Integrity

Protection of General Corporate Information

An overarching statement on the importance of the principles listed in this section is appropriate.

Corporate information during employment	Describe the organization's policy for confidentiality of corporate information for current employees. This is an opportunity to provide the organization's policy on information and data that is the property of the organization, and the organization's expectations on the disclosure of that information outside of the organization (see ICBC, page 27). Taxpayer accountability principles: Respect & Integrity
Corporate information after employment	Describe a policy for confidentiality of corporate information post-employment. Taxpayer accountability principles: Respect & Integrity

Commitment and Compliance

An overarching statement on the importance of the principles listed in this section is appropriate (see B.C. Public Service, page 1 – under “Standards of Conduct”). Employers will work with PSEC to determine appropriate enforcement measures for standards of conduct.

Compliance with the code	Provide detail on who is responsible for ensuring the code is being upheld Taxpayer accountability principles: Accountability & Integrity
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Compliance with law

Describe the organization's expectations of employees, focusing on those that could affect the organization the most. Information on how an employee can report any acts that contravene the law would be appropriate here (see B.C. Public Service, page 4).

Taxpayer accountability principles: Accountability & Integrity

Reporting

An overarching statement on the importance of having a reporting system that allows for employees to report violations to this code without retaliation is appropriate in this section.

Reporting a violation of the code, whistleblowing

Describe how and where an employee may seek advice on making a report, the process for reporting a violation of this code, and that there will be no retaliation, and/or the anonymity process involved in processing and investigating the potential violation (see ICBC, pages 32, 34, 36). Refer to the organization's "Whistleblower" policy in this section if the organization has one.

Taxpayer accountability principles: Accountability & Integrity

Other, including other items unique to a particular employer's or employee's line of work

Describe in this section anything that is not covered in the rest of the standards of conduct document. This may be in the form of appendices or it may be a section that is specific to the nature of the organization and its organizational needs. This should also include information about when the code of conduct was last updated, approved by the Board of Directors and publicly posted.

Exceptions

Although they are rare, an overarching statement on how exceptions may be considered is appropriate. This must also include the requirement that exceptions be approved by the Minister responsible for PSEC.

References

B.C. Lottery Corporation (BCLC):

<http://corporate.bclc.com/content/dam/bclc/corporate/documents/soebc-for-employees.pdf>

B.C. Public Service:

http://www.bcpublicserviceagency.gov.bc.ca/policy/down/HR_policy/09_Standards_Conduct.pdf

Insurance Corporation of B.C. (ICBC):

<http://www.icbc.com/about-icbc/company-info/Documents/ICBC-code-of-ethics.pdf>

Hydro One:

http://www.hydroone.com/Careers/Documents/Code_of_Business_Conduct.pdf



Our Ref. 97786

To: All Public Post-Secondary Institution Board Chairs

Dear Board Chair:

On June 11, 2014, Premier Christy Clark announced that provincial public sector organizations in British Columbia, including Crown corporations, health authorities and post-secondary institutions, will operate under new taxpayer accountability principles that strengthen accountability, promote cost control and ensure operations reflect the priorities and values of government and the shareholders – the citizens of British Columbia.

The new taxpayer accountability principles – cost-consciousness, accountability, appropriate compensation, service, respect and integrity – recognize that public sector organizations have a higher accountability to the taxpayer – above and beyond the traditional fiduciary duty to the organization.

Attached for ease of reference is the “Taxpayer Accountability Principles: Strengthening Public Sector Governance and Accountability” document which sets out the action plan for implementation of the principles.

You will note that the action plan calls for regular meetings between Ministers and Board Chairs and Deputy Ministers and Chief Executive Officers. I want to acknowledge the very productive discussions my Deputy Minister and I have had with each of you in the past couple of months in relation to the public post-secondary core review. Building on those, I would like to meet collectively with all Board Chairs in late September to discuss the new taxpayer accountability principles and the requirements set out in the action plan along with other relevant matters. My office will follow up directly to find a suitable date.

I look forward to working with you as we implement the new taxpayer accountability principles. If you have any questions, please let me know.

Sincerely,

Amrik Virk
Minister

Attachment

pc: Distribution List Follows

... /2

pc: John Dyble
Deputy Minister to the Premier

Sandra Carroll
Deputy Minister
Ministry of Advanced Education

Cheryl Wenezenki-Yolland
Associate Deputy Minister
Ministry of Finance

Presidents
Public Post-Secondary Institutions

NEWS RELEASE

For Immediate Release
2014PREM0055-000805
June 11, 2014

Office of the Premier
Ministry of Finance

Accountability principles strengthen public sector governance

VICTORIA – Provincial public sector organizations will operate under new taxpayer accountability principles that strengthen accountability, promote cost control, and ensure they operate in the best interest of taxpayers, Premier Christy Clark announced today.

“One of this government’s core values is respect for the taxpayer’s dollar. We received a mandate to control government spending and ensure the best possible use of government resources,” said Premier Clark. “These principles recognize that the public sector has a higher accountability to the taxpayer — above and beyond the traditional fiduciary duty to the organization. For the first time, the board members of public sector organizations will be accountable for these values, which will drive a principled and cost-conscious culture across the public sector.”

The new taxpayer accountability principles will be enshrined into the operation of provincial public sector organizations: cost-consciousness (efficiency), accountability, appropriate compensation, service, respect, and integrity.

“In reviews of public sector organizations since 2011, we have identified opportunities to enhance public sector governance and increase accountability to taxpayers,” said Finance Minister Michael de Jong. “These principles will be built into the ongoing business of our public sector organizations to ensure the decisions they make reflect the priorities and values of government and their shareholders — the public.”

In 2011, government announced it would review all Crown corporations to ensure taxpayers are protected and the interests of British Columbians are well served. These reviews have generated recommendations that are resulting in more effective governance, greater cost discipline and better alignment to government’s strategic plan in the corporations subjected to the reviews. These reviews also have broader lessons, both for other entities and government itself. These lessons, expressed as principles of accountability to taxpayers, will guide governance and operational decisions of British Columbia’s public sector.

The taxpayer accountability principles place a heavy focus on strengthening two-way communication between government and provincial public sector entities, as various reviews have identified this as an area that could be improved. The principles increase opportunities for ministers and ministries to engage the public sector organizations for which they are responsible.

The taxpayer accountability principles will be built into the ongoing business of provincial public sector entities to ensure the decisions they make reflect the priorities and values of government and their shareholders — the citizens of B.C.

Key actions flowing from the new principles include:

- The principles will form the basis of an orientation about government's strategic mandate for all Ministers, board members, Deputy Ministers and CEOs.
- The principles will also form the basis of new mandate letters setting out shared priorities between government and public sector organizations. Board members will sign the mandate letter.
- A new annual board chair/CEO letter will report on the organization's progress in response to the mandate letter.
- Regular meetings between Ministers responsible and board chairs, and Deputy Ministers and CEOs will focus on performance against the taxpayer accountability principles.
- Ministries will work with public sector organizations to develop an evaluation plan with specific indicators to measure adherence to taxpayer accountability principles.
- Deputy Ministers will develop a strategic engagement plan with their provincial public sector organizations.
- Government will provide guidance to public sector entities on standards of conduct, from which public sector organizations will develop comprehensive codes of conduct that will apply throughout their organization.
- Public sector organizations will undertake more comprehensive communication, orientation and training for their boards and executive.
- Public sector organization service plans and reporting will be streamlined and simplified.

The taxpayer accountability principles apply to all provincial public sector organizations, including Crown corporations, health authorities and post-secondary institutions. Policy is being developed and is imminent for other public sector organizations and entities.

In addition, each minister has received a mandate letter that outlines ministry-specific priorities for the coming year. Priorities common to all ministries include implementation of the taxpayer accountability principles, balancing the ministerial budget in order to control spending and ensuring a balanced budget for British Columbia.

Quick Facts:

Government has taken a number of steps to ensure provincial public sector organizations are better aligned with principles and priorities of the shareholder, government on behalf of the citizens of B.C.:

- Government's plan to review Crown corporations was announced in the 2011 Speech from the Throne, to ensure taxpayers are protected and the interests of all British Columbians are well served.
- Reviews have been completed on BC Hydro, ICBC, and Community Living BC, and a review of BC Lottery Corporation is also underway. Translink (though not a provincial Crown corporation) has also been reviewed.
- A new executive compensation framework for Crowns corporations was introduced in July 2012.
- Government announced a core review of all government programs and services in 2013.

Learn More:

Taxpayer Accountability Principles report:

http://www2.gov.bc.ca/assets/gov/topic/FB2FBD12F48B66D4EAD8FDED9E739C96/caro/taxpayer_accountability_principles.pdf

Crown Agency Resourcing Office: <http://gov.bc.ca/crownaccountabilities>

Public Sector Employers' Council: www.fin.gov.bc.ca/psec/

A backgrounder follows.

Media Contacts:

Sam Oliphant
Press Secretary
Office of the Premier
250 952-7252

Jamie Edwardson
Communications Director
Ministry of Finance
250 356-2821

Connect with the Province of B.C. at: www.gov.bc.ca/connect

BACKGROUND

For Immediate Release
2014PREM0055-000805
June 11, 2014

Office of the Premier
Ministry of Finance

Taxpayer Accountability Principles

Cost consciousness (efficiency): Strengthen cost management capabilities and foster a culture of cost-consciousness at all levels of public sector organizations. Provide public services and programs as efficiently and effectively as possible to "bend the cost curve" and support sustainable public policies and programs as a lasting legacy for generations to come.

Accountability: Transparently manage responsibilities according to a set of common public sector principles in the best interest of the citizens of the province. By enhancing organizational efficiency and effectiveness in the planning, reporting and decision making, public sector organizations will ensure actions are aligned with government's strategic mandate.

Appropriate compensation: Comply with a rigorous, standardized approach to performance management and employee compensation, which reflects appropriate compensation for work across the public sector that is consistent with government's taxpayer accountability principles and respectful of the taxpayer.

Service: Maintain a clear focus on positive outcomes for citizens of British Columbia, by delivering cost-efficient, effective, value for money public services and programs.

Respect: Engage in equitable, compassionate, respectful and effective communications that ensure all parties are properly informed or consulted on actions, decisions and public communications in a timely manner. Proactively collaborate in a spirit of partnership that respects the use of taxpayers' monies.

Integrity: Make decisions and take actions that are transparent, ethical and free from conflict of interest. Require the establishment of a strong ethical code of conduct for all employees and executives. Serve the citizens of British Columbia by respecting the shared public trust and acting in accordance with the taxpayer accountability principles.

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Taxpayer Accountability Principles: Strengthening Public Sector Governance and Accountability

June 2014



Executive summary

Provincial public sector organizations in B.C. will operate under new taxpayer accountability principles that strengthen accountability, promote cost control, and ensure the corporations operate in the best interest of taxpayers. The new Taxpayer Accountability Principles will be enshrined into the operation of provincial public sector entities:

- cost consciousness
- accountability
- appropriate compensation
- service
- respect
- integrity—including a requirement to establish a strong ethical code of conduct for all employees and executives.

The Crown corporation reviews and core reviews conducted to date have identified opportunities to enhance public sector governance and increase public sector accountability to taxpayers. These principles will be built into the ongoing business of the public sector entities to ensure the decisions they make reflect the priorities and values of government and their shareholders—the citizens of B.C.

The principles recognize that public sector organizations have a higher accountability to the taxpayer—above and beyond the traditional fiduciary duty to the organization.

Key actions that will flow from the new principles include:

- New mandate letter agreed and signed by all board members.
- New accountability requirement to evaluate and report to the minister against the taxpayer accountability principles.
- New deputy minister accountability to develop a strategic engagement plan with the public sector organizations.
- Orientations about the taxpayer accountability principles and expectations for ministers, public sector boards, DMs, CEOs and public sector staff.
- Simplified mandate letters and service plans that clearly align with the taxpayer accountability principles and government's strategic mandate.

Scope and application

The taxpayer accountability principles apply to all provincial public sector organizations, including Crown corporations, health authorities and post-secondary institutions. Policy is being developed and is imminent for other public sector organizations and entities with which the provincial government has a contractual or service-delivery relationship such as BC Ferries and TransLink, even though they are and will remain outside the Government Reporting Entity.

Stronger governance in B.C.'s public sector

The Government of British Columbia is working to strengthen the economy and create more jobs to secure the future for its citizens.

This requires constant focus on maintaining a cost-conscious and principled culture, and the efficient delivery of services that stand the test of public scrutiny and help develop a prosperous economy in an environmentally sustainable manner. The foundation of this work is the government's commitment to controlling spending and balancing the budget.

In 2011, government announced it would review all Crown corporations to ensure taxpayers are protected and the interests of British Columbians are well served. These reviews have generated recommendations that are resulting in more effective governance, greater cost discipline and better alignment to government's strategic plan in the corporations subjected to the reviews. But these reviews also have broader lessons, both for other entities and government itself. These lessons, expressed as principles of public sector governance, will guide governance and operational decisions of British Columbia's public sector.

Through the implementation of taxpayer accountability principles, leadership teams in government organizations can support a change to a cost-conscious government that strengthens cost management capabilities and fosters a principled culture of efficiency and accountability at all levels.

The intention is to align government organizations' decisions and actions with the provision of government services that achieve the public policy objectives established by government on behalf of the citizens of British Columbia.

A principled framework for public sector governance

Government created policy guidelines for Crown corporations that, at the time, were considered to be leading edge in Canada. The *Budget Transparency and Accountability Act* provides the legislated accountability for service plans and annual reports in support of this framework.

Over time, the framework, guidelines and the annual Government Letters of Expectation have become routine in application, cluttered with administrative policy, and lacking in clear and measurable priorities. The original governance effectiveness has been diluted.

This lack of clear direction to guide principled decisions has led to decisions and direction by some public sector entities that appear inconsistent with the values of B.C. citizens and the priorities of government; the desired outcomes are not being delivered in a cost-conscious and principled manner. In some cases, the public has come to believe that some government entities are acting on their own behalf and represent the interests of their executive and management team, which demonstrates a lack of respect for the shareholder: the citizens and taxpayers of British Columbia. Board members and governors of public sector entities need to understand their role as representatives of the shareholder and their fiduciary duty to the citizens and taxpayers of the province.

Government organizations are not independent of scrutiny or unaccountable for the management of taxpayer dollars, particularly executive compensation and changes to public services without adequate consultation. Otherwise, public understanding and satisfaction with the government services deteriorates, affecting the overall shared trust in government.

Results of recent public sector entity reviews have revealed significant inefficiencies and a lack of understanding by the organizations with respect to the shared public trust and the shared public scrutiny between the government and the broader provincial public sector.

The reviews of BC Hydro, TransLink, ICBC and Community Living BC focused on areas where there was a lack of alignment with government's priority of cost containment and service delivery. The reviews revealed issues of significant growth in management, compensation, operating costs and challenges in meeting the need for cost-effective service delivery, in spite of the economic downturn. The reviews recommended that the boards set clear direction to institute a culture of cost consciousness and financial discipline across the organization.

There needs to be better understanding among provincial public sector entities of their role in achieving public policy, particularly with respect to providing quality service to customers (B.C. citizens) at a price that is cost-conscious. Government has taken a number of actions to address these challenges and revitalize its relationship with public sector entities:

- Implementing a new executive compensation framework for Crown corporations in July 2012, which supports a more consistent and rigorous approach to executive compensation in Crown corporations, aligned with government values.
- Establishing semi-annual Crown board chair meetings with the Minister of Finance to discuss government priorities.
- Holding formally established quarterly meetings between ministers, board chairs, deputy ministers and CEOs to discuss relevant and current corporation business, including reviewing achievement of the goals, objectives, performance measures, financial targets and risk assessments identified in the corporation's service plan.
- Furthering reviews of government organization compensation to address the need for a standardized rigorous approach that aligns with the common public sector principles and a stronger accountability framework for compensation across the public sector.
- Creating a Deputy Ministers Committee on Crown Corporations with a purpose of ensuring that the Crown corporations and other identified agencies are aligned with government priorities and that government's expectations, in its role as shareholder for the Crown corporations, are effectively and consistently communicated and acted upon.

There is still a need to establish stronger and clearer relationships across the whole public sector. This is required to promote strategic collaboration and ensure public funds are spent in a more responsible manner that meets the needs and expectations of their primary shareholder and steward of public resources: the government on behalf of the citizens of British Columbia.

New taxpayer accountability principles

This government intends to further strengthen accountability, improve the management of public funds, and revitalize the relationship between government and public sector organizations.

Increased communication with respect to government direction, accountabilities and alignment with strategic priorities will ensure:

1. Better understanding of the government's mandate, including fiscal responsibility.
2. Actions and decisions that are consistent with government's mandate and priorities.
3. A cultural shift in the broader public sector to drive a principled, cost-conscious approach to efficient public service delivery.
4. Board members act independently from the organization's executive and have the best interests of taxpayers and shareholder as their primary consideration.

The executive level of the public service has a key role in building these relationships, setting the tone and driving a cost-conscious, principled culture from the ministry to the broader provincial public sector.

All public sector organizations will adopt a common principled culture emphasizing cost consciousness and public accountability.

Taxpayer accountability principles

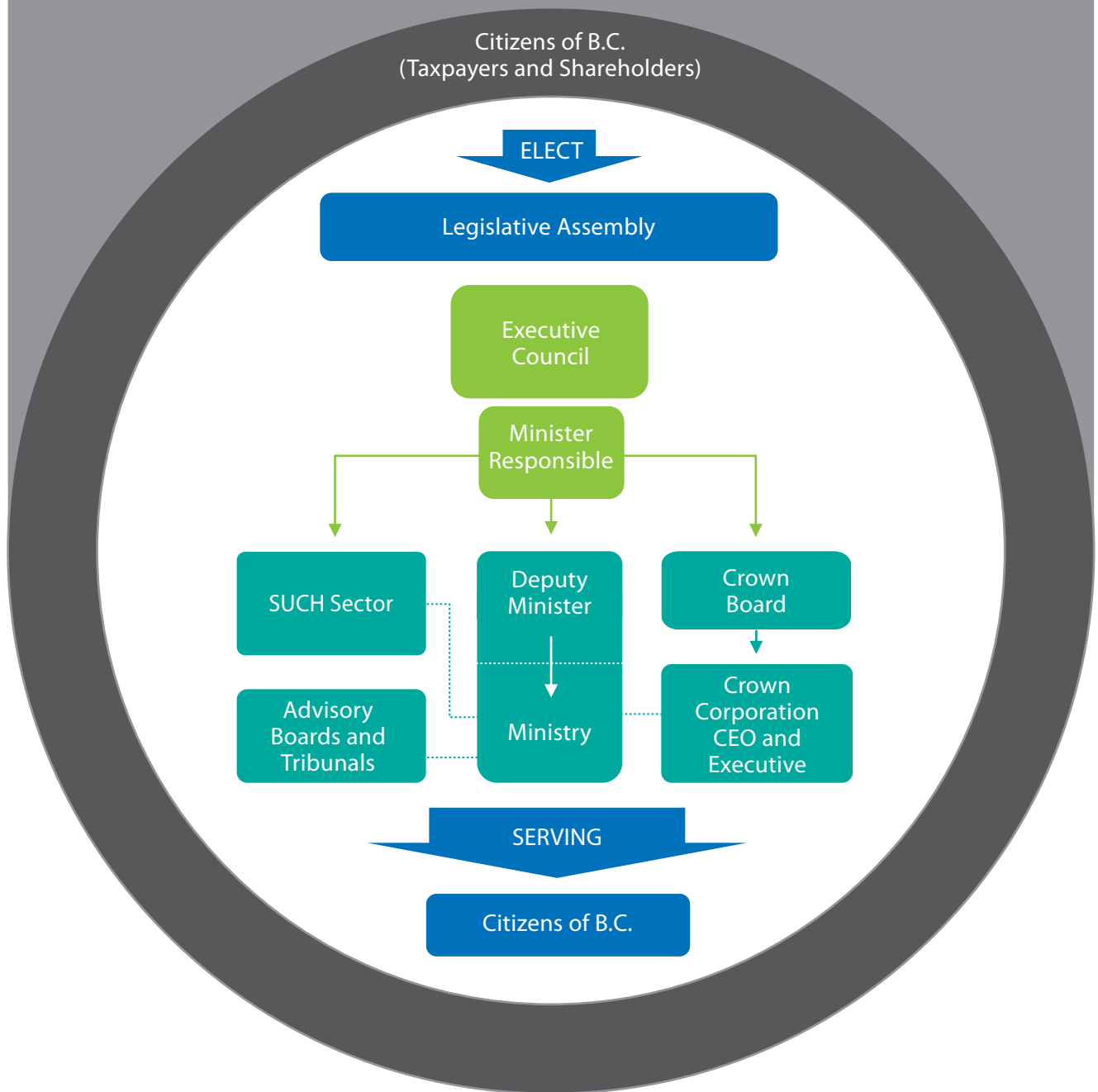
- | | |
|--|---|
| 1 Cost consciousness (Efficiency) | Strengthen cost management capabilities and foster a culture of cost-consciousness at all levels of public sector organizations. Provide public services and programs as efficiently and effectively as possible to “bend the cost curve” and support sustainable public policies and programs as a lasting legacy for generations to come. |
| 2 Accountability | Transparently manage responsibilities according to a set of common public sector principles in the best interest of the citizens of the province. By enhancing organizational efficiency and effectiveness in the planning, reporting and decision making, public sector organizations will ensure actions are aligned with government’s strategic mandate. |
| 3 Appropriate Compensation | Comply with a rigorous, standardized approach to performance management and employee compensation, which reflects appropriate compensation for work across the public sector that is consistent with government’s taxpayer accountability principles and respectful of the taxpayer. |
| 4 Service | Maintain a clear focus on positive outcomes for citizens of British Columbia by delivering cost-efficient, effective, value-for-money public services and programs. |
| 5 Respect | Engage in equitable, compassionate, respectful and effective communications that ensure all parties are properly informed or consulted on actions, decisions and public communications in a timely manner. Proactively collaborate in a spirit of partnership that respects the use of taxpayers’ monies. |
| 6 Integrity | Make decisions and take actions that are transparent, ethical and free from conflict of interest. Require the establishment of a strong ethical code of conduct for all employees and executives. Serve the citizens of British Columbia by respecting the shared public trust and acting in accordance with the taxpayer accountability principles. |

Implementing the common taxpayer accountability principles

Government will implement these common taxpayer accountability principles across the broader public sector. Taxpayers expect the agencies they fund with their tax dollars will adhere to the same standards of fiscal responsibility and transparency as the government they elect.

Action plan	Status
1 Government defines the taxpayer accountability principles that will apply to all public sector organizations. These principles, which will also require an ethical code of conduct, form the basis of an agreement between the government and public sector boards.	Complete and ready for implementation
2 The taxpayer accountability principles form the basis of an orientation about the government strategic mandate for all ministers, public sector board members, deputy ministers and CEOs. The orientation will promote understanding of the principles and will be signed by the participants. This will be an ongoing process and all new appointments will receive the strategic mandate orientation.	Principles will be enshrined in ministerial mandate letters in 2014-15
3 Government will provide guidance to public sector entities on standards of conduct, from which public sector organizations will develop comprehensive codes of conduct that will apply throughout their organization.	To be completed by November 2014
4 All public sector boards will annually receive new mandate letters from their minister responsible. All board members will sign the mandate letter and the letters will be posted publicly, enhancing their accountability to government's strategic mandate.	Transitional letters on the principles 2014-15; new mandate letters finalized for 2015-16
5 An annual Chair/CEO report letter with respect to the organization's performance concerning the mandate letter expectations to be established as a new accountability requirement.	Published with 2015-16 Annual Service Plan Reports
6 Regular meetings will be required between ministers and board chairs, and deputy ministers and CEOs that focus on performance against the taxpayer accountability principles, results and strategic decision making.	Quarterly meetings each fiscal year, starting 2014-15
7 Ministries, in collaboration with the organization, will develop an evaluation plan with specific efficiency and performance measures as determinants of the organization's health and performance, against the taxpayer accountability principles, which could include annual feedback from government.	First report to be published with 2015-16 Annual Service Plan Reports.
8 A new accountability established for deputy ministers to develop a strategic engagement plan with their public sector entities to work more effectively together and to hold the entity accountable for the outcomes and measurements identified by the minister responsible, in consultation with the respective board chair.	Accountability established for 2014-15 fiscal year
9 Public sector entities to undertake more comprehensive and appropriate communication, orientation and training regarding the accountability framework, the taxpayer accountability principles, roles and expectations for their boards and executive.	Execution expected in 2014-15
10 Institutionalize semi-annual board chair/CEO/DM meetings with members of the Executive Council.	Two meetings in 2014-15.
11 Service plans and process to be streamlined and simplified, resulting in stronger accountabilities, efficiency measures and clarified roles, to become a truly useful document that clearly and simply aligns with the taxpayer accountability principles and government's mandate, while maintaining reporting requirements of the BTAA.	To be completed in 2015-16.

Governance and Accountability in the Provincial Public Sector



6

Taxpayer Accountability Principles

EFFICIENCY | ACCOUNTABILITY | APPROPRIATE COMPENSATION | SERVICE | RESPECT | INTEGRITY

Executive
Compensation
Framework

Approved
Compensation
Plans

Annual
Disclosure

Standards of
Conduct

Organizational Code
of Conduct

Report on How Organization
is Meeting Principles

Two-way
Communication
with Government

Engagement
Plan, Regular
Meetings and
Orientation

Accountability
Mechanisms

Mandate
Letter

Annual
Chair/CEO
Report on
Mandate

Budget
Transparency
and
Accountability
Act

Service Plan
and Annual
Service Plan
Report



Our Ref: 97914

September 16, 2014

To: All Public Post-Secondary Institution Board Chairs

Re: Taxpayer Accountability Principles Addendum to 2014/15 Government's Letter of Expectations

Further to the Taxpayer Accountability Principles (attached) recently announced by Premier Christy Clark, this letter amends the 2014/15 Government's Letter of Expectations.

The principles recognize that the boards of public sector organizations have a higher accountability to the taxpayer – in addition to their traditional fiduciary duty to the organization. These principles are to be built into the ongoing operations of your institution to ensure that its decisions reflect the priorities and values of government and the shareholders – the citizens of British Columbia.

The following Taxpayer Accountability Principles actions are to be implemented this fiscal year, in addition to the existing direction outlined in the 2014/15 Government's Letter of Expectation:

1. Adopt the Taxpayer Accountability Principles – *cost consciousness (efficiency), accountability, appropriate compensation, service, respect and integrity* for your board and throughout your organization.
2. Complete and make publically available your institution's revised comprehensive Code of Conduct by November 2014, as per the July 2014 letter from the Minister of Finance, containing government's guidance about standards of conduct – including but not limited to conflict of interest provisions and post-employment restrictions.
3. Collaborate with the Deputy Minister of Advanced Education to implement a strategic engagement plan for the public post-secondary system for 2014/15.
4. Demonstrate that your institution has undertaken comprehensive and appropriate communication, orientation and training on the Taxpayer Accountability Principles, accountability framework and roles and expectations for the board and executive.

... /2

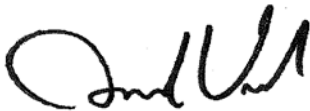
5. Participate in regular meetings with myself, and ensure your President meets regularly with the Deputy Minister to focus on performance against the Taxpayer Accountability Principles, results and strategic decision making.
6. Complete an annual Chair/President letter, which will be published in the 2014/15 Institutional Accountability Plan & Report (Report) that reports on your institution's performance in relation to the mandate letter. The Report must include a Taxpayer Accountability Principles implementation progress report.
7. Work with the Ministry to develop an evaluation plan with specific efficiency and performance measures as determinates of the institution's health and performance against the Taxpayer Accountability Principles, which may include annual feedback from government. A "transitional" phase one evaluation plan may be used for 2014/15 and published in the 2014/15 Report. The fully developed evaluation plan is to be used in 2015/16 and reported in the 2015/16 Report.

The Taxpayer Accountability Principles are being implemented to enhance public sector governance, increase accountability, promote cost control, and ensure the provincial public sector organizations operate in the best interest of the taxpayers. To support the implementation of the Taxpayer Accountability Principles, please ensure all board members sign this addendum to the 2014/15 GLE, by September 30, 2014. This letter and signed addendum is to be posted publicly on your organization's website.

The principles have a strong focus on improved two-way communication between government and the provincial public post-secondary institutions, to ensure a complete understanding of expectations. I look forward to working with you further on the implementation of Taxpayer Accountability Principles.

Should you have questions please contact Ms. Sandra Carroll, Deputy Minister of Advanced Education.

Sincerely,



Amrik Virk
Minister

Attachments

pc: Distribution List attached

A duplicate of this page has been provided in a separate document to provide for customization. Board secretaries are requested to customize the signature sheet to accurately reflect the board's composition, the names of board members, and their representation (e.g. appointed or elected). Further instructions are provided in the separate document.

Name
Title

Name
Title

Name
Title

Name
Title

Name
Title

Name
Title

Name
Title

Name
Title

Name
Title

Name
Title

Name
Vice-Chair of the Board/ Board of Governors

Name
Title

Name
Chair of the Board / Chair, Board of Governors

Name
President (or appropriate Title)

Date

B.C. Taxpayer Accountability Principles

Further information available at: <http://gov.bc.ca/crownaccountabilities>

- | | |
|--|---|
| 1 Cost Consciousness (Efficiency) | Strengthen cost management capabilities and foster a culture of cost-consciousness at all levels of public sector organizations. Provide public services and programs as efficiently and effectively as possible to “bend the cost curve” and support sustainable public policies and programs as a lasting legacy for generations to come. |
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pc: Honourable Christy Clark
Premier

Mr. John Dyble
Deputy Minister to the Premier and Cabinet Secretary

Mr. Peter Milburn
Deputy Minister and Secretary to Treasury Board
Ministry of Finance

Ms. Sandra Carroll
Deputy Minister
Ministry of Advanced Education

Ms. Cheryl Wenezenki-Yolland
Associate Deputy Minister
Ministry of Finance



University
of Victoria

SUBMISSION TO THE UVIC BOARD OF GOVERNORS

FOR DECISION

To: Audit Committee

From: VICE-PRESIDENT FINANCE AND OPERATIONS

A handwritten signature in black ink, likely belonging to the Vice-President Finance and Operations.

cc: President and Vice-Chancellor

Meeting Date: September 30, 2014

Subject: GOVERNMENT REPORTING ENTITY QUARTERLY REPORTS -
PERIOD ENDING JUNE 30, 2014 AND APPROVAL OF BUDGET FOR
AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Basis for Jurisdiction: Committee's Terms of Reference 6.1

Recommendation:

THAT the Audit Committee recommend to the Board of Governors that the Board of Governors approve the 2015 Public Sector Accounting Standards (PSAS) budget to be reported on the 2014/15 University of Victoria Consolidated Financial Statements as per Schedules A and B.

Background:

Since 2003, B.C. universities have been included in the Government Reporting Entity (GRE) in order to facilitate the consolidation of University Financial Statements into the Public Accounts of the Province.

Inclusion in the GRE requires the filing of two quarterly reports within the tight deadlines set by the Office of the Comptroller General. The first report is a quarterly year to date financial report known as Appendix C, while the second report is a forecast providing projections of the universities financial statements for the current year plus three years.

With the adoption of Public Sector Accounting Standards supplemented with Treasury Board regulations 257/2010 and 198/2011 as of March 31, 2013, these quarterly reports now follow the new PSAS basis of presentation.

Both reports have been submitted to the Ministry of Advanced Education with the Forecast Report filed on June 27th and the Year to Date Financial Report being filed on July 23rd in order to meet the reporting deadlines set by the Province. The Ministry requires that a "confirmation" that the Forecast Report and assumptions have been reviewed by the Chair of the Audit Committee.

Public Sector Accounting Standards (PSAS) require a Board-approved, consolidated, all-funds budget on a PSAS basis to be reported on the audited financial statements. Contained in this report is information on how the budget has been developed and a request for approval of the budget.

Year to Date Financial Report (Appendix C)

The year to date financial report consists primarily of a Statement of Financial Position and a Statement of Operations together with a number of supplementary schedules designed to identify significant inter-company transactions between the university and other government reporting entities. This detail allows the Province to eliminate any duplication of revenue, expense, assets or liabilities in the consolidated Public Accounts.

The figures reported are actual results for the three month period ending June 30, 2014 with additional analysis and breakdown of inter-company transactions in excess of \$100,000.

Highlights of the report are as follows:

Statement of Operations

- Expenses exceed revenues at June 30, 2014 resulting in reported net loss of \$14.1 million. This compares to an \$11.1 million net loss reported for the three months ended June 30, 2013. Losses result from the fact that the first three months of the fiscal year are low revenue producing months (i.e., Tuition and Ancillary Operations) while expenses are distributed more evenly throughout the year. Investment income in the first quarter of 2014 was a gain of \$2.07 million compared to a gain of \$0.06 million in 2013.

Forecast Report

The Forecast Report consists of a current year forecast plus projections for three additional years presented in the form of a Statement of Operations (revenues and expenses), a Statement of Financial Position (assets, liabilities and equity) and a Statement of Changes in Financial Position (changes in cash and temporary investments). The report is submitted in June and updated for any significant change in assumptions in October and January.

As we are not permitted to forecast a deficit (excluding unrealized gains and losses and before endowment contributions) any deficits must be offset on the “Unallocated Pressures” line of the report.

Key Forecast Amounts (\$ thousands)	Budget Estimate 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18
Total Revenue	(520,975)	(526,950)	(531,631)	(538,438)
Total Expense	520,305	522,043	528,235	538,501
Net (Revenues) Expenses	(670)	(4,907)	(3,396)	63
Unallocated Pressures	-	-	-	-
Operating Net (Income) Loss for Ministry	(670)	(4,907)	(3,396)	63
Endowment Contributions	(3,000)	(3,000)	(3,000)	(3,000)
Net (Income)	(3,670)	(7,907)	(6,396)	(2,937)
Capital Asset Additions	75,735	35,271	22,744	22,478
Debt	(56,663)	(54,757)	(52,770)	(50,870)

Key Assumption Amounts	2014/15	2015/16	2016/17	2017/18
Grant Funding (operating grant only)	173,993	174,030	178,629	177,279
Student FTEs (Government Funded FTE)	16,528	16,528	16,528	16,528
Tuition fee increases	2.0%	2.0%	2.0%	2.0%

Key assumptions include:

- Operating grant funding as per 14/15 ministry letter including pro-rata reductions in future years,
- Domestic and international tuition will increase at inflation assumed at 2%.
- Mandatory fees are included in domestic tuition as information on international mandatory fees is not readily available.
- International student increase of approx. 11% (based on current applications).
- CARSA building completed in FY16.
- Salaries to increase per PSEC mandate and current collective agreements.

- PSEC mandate changes to be funded by the province.
- Grants to 3rd parties to reduce in FY16 once initiative to increase is complete.
- Interest or other investment income represents interest income and dividends (all realized). Unrealized gains/losses are reported through the Statement of Re-measurement. A \$5M capitalization transfer from DC, to restricted endowment, is reported in the Statement of Contributions.
- Routine capital forecasted assuming it will remain consistent with 13/14 ministry funding.
- Research revenue to remain at FY14 levels.
- Risks in achieving the projected revenues and expenditures include market risk; difficulty in predicting sponsored research and specific purpose revenues and expenses as these are applied for and granted by external agencies.

2015 Public Sector Accounting Standards budget

The University develops its budget framework, that is approved by the Board of Governors, on a Fund Accounting Basis. Annual budgets are prepared, and approved, for the Operating Fund and Ancillary Fund. Annual budgets are not prepared for the Research or Specific Purpose funds. Instead of a total, annual budget, these funds are managed through budgets that are prepared for individual research grants and for individual endowment distributions.

Public Sector Accounting Standards (PSAS) require a Board-approved, consolidated, all-funds budget on a PSAS basis to be reported on the audited financial statements. As the university does not prepare a budget on this basis, the Q1 forecast forms the basis for this budget. Schedule A outlines how this forecast translates into the budget figures to be reported on the March 31, 2015 financial statements. Schedule B provides a comparison of the 2015 PSAS budget to the 2014 PSAS budget and actuals, and identifies any significant variances.

Attachments:

Schedule A – Reconciliation of the 2014 Q1 Forecast to the 2015 PSAS Budget
Schedule B – Comparison of the 2015 PSAS Budget to the 2014 PSAS Budget and Actuals
Schedule C – Q1 GRE Reports

Reconciliation of the 2014 Q1 Forecast to the 2015 PSAS Budget

Schedule A

2014 Q1 Forecast

Operating contributions from Provincial Ministries	180,000
Operating contributions from Provincial Crown Corps & Agencies	8,000
	188,000
Operating contributions from the Federal Government	56,000
Operating contributions from other sources	31,000
	31,000
Deferred capital contributions from Province	13,500
Deferred capital contributions from Federal Government	12,453
Deferred capital contributions from Other Sources	2,818
	28,771
Sales of goods and services to Crown Corps & Agencies (including contracts)	650
Sales of goods and services to others (contracts and other sales)	13,500
Sales of goods and services to others (Ancillary Services)	47,000
	61,150
Domestic Tuition and Mandatory Fees	112,000
International Tuition and Mandatory Fees	24,000
	136,000
Earnings from Government Business Enterprises (GBEs)	800
Investment earnings (not included in above)	3,254
Other revenue (not included above)	6,000
Recognition of endowment investment income	9,000
Realized investment earnings (gains)/losses	1,000
	16,000
Total Revenue	520,975

Expenses

Salaries and benefits	326,000
Cost of goods sold	14,750
Operating costs paid to Provincial Ministries	
Operating costs paid to Provincial Crown Corps & Agencies	6,000
Other operating costs (less amortization & debt servicing)	83,500
Capital asset amortization expense	49,955
Capital asset write-downs	
Grants to Crown Corporations and other Agencies	400
Grants to third parties (Scholarships)	37,000
Grants to third parties (Foundations and Other)	
Debt service costs (net of sinking fund earnings)	2,700
Amortization of debt issue costs	
Other	
Total Expense	520,305

2015 PSAS Budget to be Reported on Statement of Operations

Province of British Columbia grants	188,000
Government of Canada grants	56,000
Other government Grants	15,500
Donations, non-government grants and contracts	15,500
	31,000
Revenue Recognized from Deferred Cap Contributions	28,771
Sales of Services and Products	61,150
Student tuition - credit courses	114,000
Student tuition - non-credit courses	22,000
	136,000
Income from GBE	800
Investment Income	3,254
Other Revenue	16,000
Total Revenue	520,975
Instruction and non-sponsored research	206,304
Academic and student support	124,612
Administrative support	18,660
Facility operations and maintenance	48,462
Sponsored research	110,484
External engagement	11,783
Total Expense	520,305

Note

PSAS requires expenses to be presented by function, which are significantly different than forecast template provided by the Province. In order to determine our budgeted expenses by function, we use total forecasted expenditures, multiplied by the prior year functional allocation of actual expenditures.

Total forecasted expenditures

520,305

Expense

		% allocation from fiscal 2014 (actual results)
Instruction and non-sponsored research	206,304	40%
Academic and student support	124,612	24%
Administrative support	18,660	4%
Facility operations and maintenance	48,462	9%
Sponsored research	110,484	21%
External engagement	11,783	2%
	520,305	

Comparison of 2015 PSAS Budget to 2014 PSAS Budget and Actuals

Schedule B

	2015 PSAS Budget	2014 PSAS Budget	2014 PSAS Actual	14/15 Budget Variance	Notes
Revenue					
Province of British Columbia grants	188,000	192,000	190,439	-4,000	
Government of Canada grants	56,000	56,000	54,522	-	
Other government Grants	15,500	22,250	17,412	-6,750	1)
Student tuition - credit courses	114,000	123,000	109,903	-9,000	
Student tuition - non-credit courses	22,000	-	21,727	22,000	2)
Donations, non-government grants and contracts	15,500	22,250	15,439	-6,750	
Sales of Services and Products	61,150	60,150	60,448	1,000	
Investment Income	3,254	3,900	17,904	-646	
Income from GBE	800	800	753	-	
Other Revenue	16,000	6,000	5,867	10,000	1)
Revenue Recognized from Deferred Cap Contributions	28,771	29,548	29,278	-777	
Total Revenue	520,975	515,898	523,692	5,077	
Expenses					
Instruction and non-sponsored research	206,304	202,220	205,491	4,084	3)
Academic and student support	124,612	122,145	124,375	2,467	3)
Administrative support	18,660	18,291	18,253	369	3)
Facility operations and maintenance	48,462	47,503	46,780	959	3)
Sponsored research	110,484	108,297	107,303	2,187	3)
External engagement	11,783	11,549	11,534	234	3)
Total Expenses	520,305	510,005	513,736	10,300	

Notes

1) Approx \$9M has moved (for presentation purposes) to line item "Other revenue" / "other government grants"

2) Credit and non-credit broken into separate line items for first time in FY 15

3) Expenses adjusted for inflation

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Statement of Operations Report in '000s

			Schedule	OCG Comments
REVENUE				
Grants	Direct transfers from the province	-43,976		
	Direct transfers from Crown corporations or government orgs	-1,318	1	
	Transfers from the federal government	-1,517		
		-46,811		
Deferred contributions	Recognition of Deferred Capital Contributions provincial	-3,636	4	
	Recognition of Deferred Capital Contributions non provincial oth.	-798	4	
	Recognition of Deferred Capital Contributions Federal	-3,333	4	
	Recognition of Deferred Contributions provincial	-1,588	4	
	Recognition of Deferred Contributions Federal	-22,527	4	
	Recognition of Deferred Contributions non provincial	-2,895	4	
		-34,777		
Other revenues	Tuition Fees - Domestic	-8,992		
	Mandatory Fees (related to tuition) - Domestic			
	Tuition Fees - International	-2,723		
	Mandatory Fees (related to tuition) - International			
	Sinking fund earnings	0	3	
	Recognition of debt premium	0	3	
	Realized investment Gains/Losses	0		
	Recognition of Endowment Investment earnings	-1,508	4	-Linked to Remeasurement Gains & Losses tab
	Investment earnings	-2,074		-Linked to Schedule 4 - Deferred Revenue - Endowment Fund (B5)
	(Gain) loss on sale of tangible capital assets			-Do not include sinking fund earnings in this cell.
	Miscellaneous	-3,174		
		-18,471		
Sales of goods and services	Sales of goods or services to the province (including contracts)			
	Sales of goods or services to Crown corps or govt orgs (including contracts)	-928	1	
	Sales of goods or services to non-related entities (Contracts)	-11,246		
	Sales of goods or services to non-related entities (Ancillary Services)			
		-12,174		
	TOTAL REVENUE	-112,233		
EXPENSE				
	Salaries and benefits	78,413		
	Operating expense	26,642		
	Asset amortization expense	12,488	2	Asset amortization is reported separately.
		117,543		
Grants	Transfers to Crown corporations or government organizations	0	1	
	Grants to third parties (Scholarships)	5,518		
	Grants to third parties (Foundations and Other)			
		5,518		
Debt expenses	Debt service costs (gross of sinking fund investment)	799	3	Interest expense less other adjustments from Sch 3.
	Recognition of debt discount	0	3	
		799		
Other Expenses	Cost of goods sold	1,970		
	Expense due to valuation allowance	0	5	
	Restructuring exit expenses			Incremental costs that do not provide future benefit and are a
	Other miscellaneous expenses		5	direct result of restructuring.
	Purchases from Crown corporations or government orgs	1,517	1	
	Purchases from Provincial Ministries			
		3,487		
	TOTAL EXPENSE	127,347		
	(SURPLUS) DEFICIT FOR THE YEAR, BEFORE ENDOWMENT CONTRIBUTIONS	15,114		
	Endowment Contribution - New Contributions (external sources)	-1,060		
	Endowment Contribution - Transferred to/(from) Restricted Deferred Revenue (capitalization)	0	4	New endowment contributions received this year
	(SURPLUS) DEFICIT FOR THE YEAR	14,054		
ACCUMULATED (SURPLUS) DEFICIT				
	Opening Accumulated (Surplus) Deficit, before Accumulated Remeasurement (Gains)/Losses	-650,394		Prior year closing Accumulated (Surplus) Deficit as reported on your audited
	(Surplus) Deficit for the Year	14,054		statements
	Prior Period Adjustments (see below)	0		
	Other Adjustments to Accumulated (Surplus) Deficit (see below)	0		
	Closing Accumulated (Surplus) Deficit, before Accumulated Remeasurement (Gains)/Losses	-636,340		
	Opening Accumulated Remeasurement (Gains)/Losses	-12,196		
	Net Remeasurement (Gains) and Losses for the Year	-265		
	Closing Accumulated Remeasurement (Gains) and Losses	-12,461		
	Closing Accumulated (Surplus) Deficit - Combined	-648,801		Total Accumulated (Surplus) Deficit from Statement of Financial Position must match
				closing Accumulated (Surplus) Deficit - Combined (Cell C88)
				-648,801

Explanation of adjustments to Accumulated (Surplus) Deficit	Amount	Verification must equal \$0
Prior Period Adjustments		
Total Prior Period Adjustments Explained	0	\$0
Other Adjustments to Accumulated (Surplus) Deficit		
Total Other Adjustments to Accumulated (Surplus) Deficit	0	\$0

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Statement of Financial Position

Financial Assets	Report in 000s		Schedule	OCG Comments
Cash		15,315		
Cash Equivalents		81,358		Includes demand deposits and short-term highly liquid investments that are readily convertible to cash and that are subject to an insignificant risk of changes in value.
Temporary investments		0		
		96,673		
Accounts receivable	from the province	2,221		
	from Crown corps, government orgs, trusts, etc.	999	1	
	from the federal government (current)	23,138		
	from the federal government (long term)			
	from municipalities (current)	113		
	from municipalities (long term)			
	from other provincial governments (current)			
	from other provincial governments (long term)			
	trade (not included above)	14,979		GST/PST tax refunds should be included here (not in line 30).
	taxes (not included above)			
	accrued interest (not included above)	994		
	less: provision for doubtful accounts	-5,412		
		37,032		
Inventory for resale	properties for resale			This category is for resale inventories only.
	other inventories for resale	1,747		See Other Assets for inventories that are not for resale.
		1,747		
Loans and Advances	Loans and advances	29,625		
	less: provision for doubtful account			Provisions for loans and advances only.
		29,625		
Investments	Portfolio investments in debt/equity instruments	73,542		This Investment category includes other Endowment Fund
	Portfolio investments in debt/equity instruments	65,638		This cell is linked to checklist Note 4a (Endowment Fund Note (exclude other Endowment Fund))
	-Endowment (Available to Spend)	67	Checklist 4a	
	Investment in corporations on a cost basis	6,732		
	Investment in corporations on an equity basis			
	Other			
	Less: provision for doubtful payout			
		145,979		
Sinking Fund Investments	Sinking fund Investment (Direct debt to province)	4,301	3	
	Sinking fund Investment (debt guaranteed by province)	0	3	
		4,301		
Total Financial Assets		315,357		
Liabilities				
Payables and accruals	trade payables to the province	-319		
	trade payables other	-15,362		
	accrued employee leave entitlements	-31,772		This cell is linked to checklist Note 10 (Accrued Employee Leave Entitlement:
	other accrued liabilities (not included elsewhere)	-17		
	to Crown corporations or government orgs	-133	1	
	to federal government (current)	-3,265		
	to federal government (long term)			
	to municipalities (current)			
	to municipalities (long term)			
	to other provincial government (current)			
	to other provincial government (long term)			
		-50,868		
Accrued interest	on direct debt to province	-220	3	
	on mortgages	-56	3	
	on other debt	-11	3	
		-287		
Deferred revenue	deferred capital contributions - provincial	-261,454	4	
	deferred capital contributions - non-provincial oth.	-48,483	4	
	deferred capital contributions - Federal	-80,823	4	
	deferred contributions - provincial	-9,252	4	
	deferred contributions - Federal	-32,644	4	
	deferred contributions - non-provincial	-24,950	4	
	deferred contributions - Endowment Deferred Contributions	-63,404	4	
	unearned lease revenue			
	tuition	-8,659		
	other deferred revenue	-12,386		
		-542,055		
Unfunded pension liability		2,581		
		2,581		
Taxpayer-supported debt	direct debt to province	-20,800	3	Excluded Sinking Fund from Schedule 3
	mortgages	-13,339	3	
	other debt	-21,991	3	
	capital lease	0	3	
		-56,130		
Total Liabilities		-646,759		
Net Financial Assets (Debt)		-331,402		
Non-Financial Assets				
Other assets	inventories - not for resale	1,694		
	restricted assets (e.g. endowment funds)	299,179		"Restricted assets" at this cell represents the portion of endowment funds that are to be held in perpetuity, and are not available to be used for operations or capital purchases. This cell is linked to Note 4b - Endowment at "Checklist-Must Complete" tab
	prepaid program costs	2,248		
	deferred charges			
	unamortized issue cost of public debt			
		303,121		
Capital assets	historical cost of tangible capital assets	1,052,822	2	
	accumulated amortization	-375,740	2	
		677,082		
Total Non-Financial Assets		980,203		

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Statement of Financial Position

			Schedule	OCG Comments
Accumulated (Surplus) Deficit	Contributed Surplus			
	Accumulated Surplus	-636,340		
	Accumulated Remeasurement (Gains) and Losses	-12,461		
Total Accumulated (Surplus) Deficit	Note: Total Accumulated (Surplus) Deficit must match closing Accumulated (Surplus) Deficit from Statement of Operations		-648,801	
Accumulated (Surplus) Deficit is comprised of:	Invested in Capital Assets	-222,137		
	Endowments	-291,036		
	Internally Restricted; and	-93,147		
	Unrestricted	-42,481		
Total restricted and unrestricted Accumulated (Surplus) Deficit	Note: Total Accumulated (Surplus) Deficit must match closing Accumulated (Surplus) Deficit from Statement of Operations		-648,801	Accumulated (Surplus) Deficit from Statement of Operations -648,801

Notes and Comments:

STATEMENT OF OPERATIONS

Please report all debits as positive numbers and credits as negative numbers

	Forecast 2014/15	Projections		
		2015/16	2016/17	2017/18
	----- \$thousands -----			
Revenue - (credits)				
Amortization of contributions:				
Operating contributions from Provincial Ministries	(180,000)	(181,000)	(184,000)	(185,000)
Operating contributions from Provincial Crown Corps & Agencies	(8,000)	(8,000)	(8,000)	(8,000)
Operating contributions from the Federal Government	(56,000)	(56,000)	(56,000)	(56,000)
Operating contributions from other sources	(31,000)	(32,000)	(33,000)	(34,000)
Deferred capital contributions from Province	(13,500)	(13,777)	(12,901)	(10,723)
Deferred capital contributions from Federal Government	(12,453)	(11,668)	(10,306)	(12,450)
Deferred capital contributions from Other Sources	(2,818)	(3,326)	(2,259)	(3,100)
Contributed surplus	-	-	-	-
Sales of goods and services to Provincial Ministries (including contracts)				
Sales of goods and services to Crown Corps & Agencies (including contracts)	(650)	(650)	(650)	(650)
Sales of goods and services to others (contracts and other sales)	(13,500)	(13,500)	(13,500)	(13,500)
Sales of goods and services to others (Ancillary Services)	(47,000)	(48,000)	(49,000)	(50,000)
Domestic Tuition and Mandatory Fees	(112,000)	(114,500)	(117,000)	(119,500)
International Tuition and Mandatory Fees	(24,000)	(24,500)	(25,000)	(25,500)
Recognition of endowment investment income	(9,000)	(9,000)	(9,000)	(9,000)
Realized investment earnings (gains)/losses	(1,000)	(1,000)	(1,000)	(1,000)
Earnings from commercial subsidiaries (GBE's)	(800)	(800)	(800)	(800)
Investment Earnings (not included above)	(3,254)	(3,229)	(3,215)	(3,215)
Other revenue (not included above)	(6,000)	(6,000)	(6,000)	(6,000)
Total Revenue	(520,975)	(526,950)	(531,631)	(538,438)
Expenses - debits				
Salaries and benefits	326,000	329,000	334,000	339,000
Cost of goods sold	14,750	15,000	15,250	14,500
Operating costs paid to Provincial Ministries	-	-	-	-
Operating costs paid to Provincial Crown Corps & Agencies	6,000	6,000	6,000	6,000
Other operating costs (less amortization & debt servicing)	83,500	84,000	84,500	85,000
Capital asset amortization expense	49,955	48,943	48,885	53,901
Capital asset write-downs	-	-	-	-
Grants to Crown corporations and agencies	400	400	400	400
Grants to third parties (Scholarships)	37,000	36,000	36,500	37,000
Grants to third parties (Foundations and Other)	-	-	-	-
Debt service costs (net of sinking fund earnings)	2,700	2,700	2,700	2,700
Amortization of debt issue costs	-	-	-	-
Other	-	-	-	-
Total Expense	520,305	522,043	528,235	538,501
Net (Revenues)/Expenses before extraordinary items	(670)	(4,907)	(3,396)	63
(Gain) loss on sale of capital assets	-	-	-	-
Net (Revenues)/Expenses	(670)	(4,907)	(3,396)	63
Unallocated Pressures (use in Q1 only)				
Operating Net (Income) Loss (for Ministry)	(670)	(4,907)	(3,396)	63
Endowment (restricted asset) contributions	(3,000)	(3,000)	(3,000)	(3,000)
Net (Income) Loss (PSI)	(3,670)	(7,907)	(6,396)	(2,937)

STATEMENT OF FINANCIAL POSITION

Please report all debits as positive amounts and credits as negative amounts

	Forecast 2014/15	Projections		
		2015/16	2016/17	2017/18
Financial assets - debits				
Cash and temporary investments	103,307	98,715	104,330	118,627
Accounts receivable (net):				
from Ministries	1,700	1,700	1,700	2,300
from other Service Delivery Agencies	15,500	15,500	15,500	6,800
other receivables	12,500	12,500	12,500	14,000
	29,700	29,700	29,700	23,100
Sinking Funds:				
Sinking funds on Fiscal Agency Loan program debt	4,238	4,238	4,238	4,238
Sinking funds on other debt		629	1,258	1,887
	33,938	34,567	35,196	29,225
Inventory held for resale	2,000	2,000	2,000	1,850
Loans, advances and mortgages receivable (net)	29,459	28,870	28,293	30,600
Investments in commercial subsidiaries (GBE's)	7,700	8,500	9,300	6,300
Investments - other (net)	132,588	143,826	155,693	167,693
TOTAL FINANCIAL ASSETS	308,992	316,478	334,812	354,295
Liabilities - (credits)				
Accounts payable (net):				
to Provincial Ministries	(275)	(275)	(275)	(275)
to Provincial Crown Corporations and Agencies	(200)	(200)	(200)	(80)
other payables (excluding current portion of debt and/or leases)	(32,525)	(32,525)	(32,525)	(34,025)
	(33,000)	(33,000)	(33,000)	(34,380)
Unfunded pension and other accrued liabilities	(27,500)	(27,500)	(27,500)	(27,500)
Deferred income on externally restricted assets	(57,656)	(60,656)	(63,656)	(66,656)
Deferred contributions:				
deferred operating contributions - Ministries & SDAs	(10,891)	(10,358)	(11,424)	(10,140)
deferred operating contributions - Federal & Other	(48,156)	(48,356)	(48,556)	(48,756)
deferred capital contributions - Ministries	(252,438)	(239,161)	(226,760)	(216,537)
deferred capital contributions - Federal & Other	(144,305)	(146,978)	(147,147)	(144,097)
Deferred Tuition	(3,500)	(3,500)	(3,500)	(4,000)
Deferred Other	(7,000)	(7,000)	(7,000)	(7,500)
Unearned lease revenue				
	(466,290)	(455,353)	(444,387)	(431,030)
Public debt (including current portion):				
Obligations under Capital Leases (including current portion)		-	-	-
P3 liabilities		-	-	-
Fiscal Agency Loan program debt	(34,342)	(34,342)	(34,342)	(34,342)
other debt	(22,321)	(20,415)	(18,428)	(16,528)
	(56,663)	(54,757)	(52,770)	(50,870)
TOTAL LIABILITIES	(641,109)	(631,266)	(621,313)	(610,436)
Net assets/(liabilities)	(332,117)	(314,788)	(286,501)	(256,141)
Non-financial assets - debits				
Inventory for operating purposes	1,600	1,600	1,600	1,600
Capitalized debt issue costs		-	-	-
Prepaid expenses and other deferred charges	16,500	16,750	17,000	17,000
Endowment Funds (restricted assets)	301,970	313,970	325,970	337,970
Capital assets (net of amortization)	694,799	681,127	654,986	623,563
TOTAL NON-FINANCIAL ASSETS	1,014,869	1,013,447	999,556	980,133
Accumulated (surplus)/deficit - Operating				
Share capital		-	-	-
Contributed surplus		-	-	-
Accumulated Surplus	(662,583)	(670,490)	(676,886)	(679,823)
Accumulated Remeasurement Gains and (losses)	(20,169)	(28,169)	(36,169)	(44,169)
TOTAL ACCUMULATED (SURPLUS)/DEFICIT	(682,752)	(698,659)	(713,055)	(723,992)
Guarantees of Third Party Debt	-	-	-	-



University
of Victoria

SUBMISSION TO THE UVIC BOARD OF GOVERNORS

FOR INFORMATION

To: OPERATIONS AND FACILITIES COMMITTEE

From: VICE-PRESIDENT FINANCE AND OPERATIONS

A handwritten signature in cursive script, likely belonging to the Vice-President of Finance and Operations.

cc: President and Vice-Chancellor

Meeting Date: September 30, 2014

Subject: STATUS REPORT ON CAPITAL PROJECTS

Basis for Jurisdiction: Committee's Terms of Reference

Background

Attached please find the regular Board reports on the status of capital projects for current approved capital projects. In addition, given the magnitude and status of the project, additional information has been provided on CARSA.

Attachment(s):

VPFO/FMGT Project Updates: September 1, 2014

1. Centre for Athletics, Recreation and Special Abilities (CARSA) and Parkade Buildings:
 - Regular status report
 - Supplemental information
2. University Centre Food Services
3. Continuing Studies Building Expansion

PROJECT:	CENTRE FOR ATHLETICS, RECREATION AND SPECIAL ABILITIES (CARSA) + PARKADE BUILDINGS
-----------------	---

Project No.:	08-7758, 10-9565
Project Architect:	Cannon Design Architecture Inc.
Contractor:	Campbell Construction Ltd.

BUDGET STATUS:	Approved Budget 31-May-2011	Approved Budget 29-Jan-2013	FMGT Forecast Costs 01-Sep-2014
Consulting	\$ 6,521,500	\$ 7,404,000	\$ 7,404,000
Construction	\$ 55,851,200	\$ 62,255,600	\$ 62,255,600
Completion	\$ 4,856,500	\$ 4,680,900	\$ 4,680,900
Contingency	\$ 3,056,200	\$ 1,332,300	\$ 1,332,300
Sub-Total	\$ 70,285,400	\$ 75,672,800	\$ 75,672,800
HST (3.4%) / GST (1.65%)	\$ 2,389,600	\$ 1,327,200	\$ 1,327,200
TOTAL PROJECT COSTS	\$ 72,675,000	\$ 77,000,000	\$ 77,000,000

- Total Project Cost of \$77,000,000 reflects the BOG approved budget allocation of \$61,400,000 for the new CARSA Building and McKinnon Building renovations, plus \$15,600,000 for the Parkade. Funded separately are: Geothermal system, the McKinnon Building partial seismic upgrading, LED light fixtures, and funding for the Cafe.
- Total Commitments to date are approximately \$72,155,000, representing 94% of the approved Budget of \$77,000,000.

SCHEDULE STATUS:	Revised Target Date 29-Jan-2013	Actual / Forecasted Date 01-Sep-2014
Schematic Design Start	Jan 2009	Jan 2009
Schematic Design Completion	Apr 2009	May 2009
Design Development	Oct 2009	May 2010
Construction Documents	Jan 2011	Sep 2012
Tender	Dec 2012	Dec 2012
Commence Construction	Feb 2013	Feb 2013
Construction Complete	Dec 2014	Feb 2015
Fit-up and Move In	Apr 2015	Apr 2015

Major Risks:

- The University has received information from the contractor regarding delays in the project. Discussion on and review of the claims continue in order to assess the extent to which UVic would be liable for the claims, and if so, the amount of the liability. It is not possible at this time to determine whether the available contingency funds are adequate to offset the liability. Construction is proceeding well and we expect fit-up and move-in to be no later than May 2015 in order to proceed with opening as planned.

**CENTRE FOR ATHLETICS, RECREATION AND SPECIAL ABILITIES
CARSA**

SUPPLEMENTARY INFORMATION

SEPTEMBER 1, 2014

Background

Given the size and stage of completion of the CARSA project, supplemental information, in addition to the regular capital status update, is being provided at this meeting. This supplemental information will also provide background for the tour of the facility that will be occurring on September 29, 2014.

Level of Project Completion:

The construction of the new CARSA building continues to move forward with a target opening schedule for Athletics and Recreation operations commencing April / May 2015. Campbell Construction's project schedule anticipates the exterior envelop fully enclosed within the next few weeks, and construction activity is now focusing on interior finishes and fit-up. The exterior site work is progressing.

The status of construction project spending as certified by the architects shows approximately 80% in overall completion to September 1st, 2014. An analysis of sub-contractor spending on the total structure generally indicates the following:

- Foundations and concrete structures: 99%
- Steel superstructure, exterior walls and roof structure: 95%
- Exterior metal wall panels and roofing: 80%
- Mechanical systems: 65%
- Electrical Systems: 69%
- Interior drywall, windows, doors and frames: 74%
- Painting: 30%
- Squash courts, bleachers, sports equipment, hardwood floors: 0%
- Site finishing, asphalt paving, concrete curbs, landscaping: 5%

Status of Major Building Components:

For the purposes of construction, the new CARSA project is sub-divided into five major building components. The below outlines the status of each work area as reflected by Campbell Construction's project schedule. The term "Substantial Performance" represents construction work approximately 99% complete.

- **A – Indoor Fieldhouse Wing:**
The Fieldhouse is scheduled to be Substantially Complete around November 15, 2014, currently having work remaining in areas of flooring installations, basketball equipment, divider curtains and scoreboards.
- **B – Main Entrance and Open Fitness Area:**
The main entrance and atrium space is scheduled to be Substantially Complete around November 30, 2014, with work remaining in areas of flooring installations, climbing wall, millwork counters and the food services outlet.
- **C – CanAssist and Upper Offices:**
The Gabriola building wing containing CanAssist and upper floor Athletics offices is scheduled to be Substantially Complete around October 31, 2014, and still requires flooring installations, doors, finishes and completion of painting.
- **D – Performance Gym:**
The Performance Gym is the building component that has the greatest amount of work outstanding to date. This portion of building has not been fully enclosed, and is scheduled to be Substantially Complete around January 31, 2015. The installation of the high performance wood flooring centre court will commence when work in high areas is complete, followed by installation of the retractable bleachers, and then final commissioning to LEED Gold standards. This building component work is scheduled to be delivered by April 30, 2015. The consultants and contractors are currently investigating opportunities for improving on this schedule.
- **E – Parkade:**
The Parkade is scheduled to be Substantially Complete around November 15, 2014, with work remaining in areas of exterior railing installations, lighting, signage, and the traffic topping finish.

Planning of Next Steps:

As the new CARSA building more closely approaches completion, the UVic project team is developing project plans for the 8 to 10 week process of building fit-up, including installation of furniture, exercise equipment, food services equipment, and the associated move logistics. Athletics and Recreation is also considering time in the schedule for set-up, staff orientation and training.

CanAssist will be vacating E-Hut, and Athletics and Recreation will be moving operations from both the Ian Stewart Complex and McKinnon Building. Following the occupancy of CARSA, planning is underway on the following:

- McKinnon Building Renovations for Exercise Science, Physical and Health Education (EPHE) – renovation construction contract documents tender-ready for construction commencing summer 2015.
- Ian Stewart Complex – Building condition assessment and feasibility study underway.
- E-Hut repurposing options being considered.

PROJECT: UNIVERSITY CENTRE FOOD SERVICES

Project No.: 10-9446
 Prime Consultant: Warner James Architects Inc.
 General Contractor: Perma Construction

BUDGET STATUS:	Approved Budget 27-Sep-2011	FMGT Forecast Costs 01-Sept-2014
Consulting	\$ 600,000	\$ 800,000
Construction	\$ 5,000,000	\$ 4,820,000
Completion	\$ 670,000	\$ 766,000
Contingency	\$ 500,000	\$ 500,000
Sub-Total	\$ 6,770,000	\$ 6,886,000
HST (3.4%) / GST (1.65%)	\$ 230,000	\$ 114,000
TOTAL PROJECT COSTS	\$ 7,000,000	\$ 7,000,000

Total commitments to date are \$6,470,300 representing 93% of the Total Budget.

SCHEDULE STATUS:	Target Date	Actual/Forecasted Date
Schematic Design Completed	Dec 2011	Jan 2012
Design Development Complete	Mar 2012	Apr 2012
Construction Documents Complete	Jun 2012	Jul 2012
Commence Construction	Aug 2012	Dec 2013
Construction Complete	Mar 2013	Sep 2014

Major Risks:

- The contractor is reporting that target opening date has been delayed due to unforeseen existing floor structure conditions. Operations are anticipated to commence during the third week of Sep 2014.

PROJECT: CONTINUING STUDIES BUILDING EXPANSION

Project No.: 12-00643
Project Architect: Hughes Condon Marler Architects (HCMA)
General Contractor: Knappett Projects Inc.

BUDGET STATUS:	Approved Budget 01-Oct-2013	FMGT Forecast Costs 01-Sep-2014
Consulting	\$ 1,570,000	\$ 1,340,000
Construction	\$ 9,500,000	\$ 10,640,000
Completion	\$ 1,900,000	\$ 1,240,000
Contingency	\$ 500,000	\$ 250,000
Sub-Total	\$13,470,000	\$13,470,000
GST (1.65%)	\$ 230,000	\$ 230,000
TOTAL PROJECT COSTS	\$13,700,000	\$13,700,000

Total Commitments to date are \$11,555,000 or 84% of the Approved Budget.

SCHEDULE STATUS:	Target Dates 01-Oct-2013	Actual/Forecasted Dates 31-Jul-2014
Programming Complete	Apr 2013	Apr 2013
Schematic Design Complete	Jun 2013	Jun 2013
Design Development Complete	Dec 2013	Dec 2013
Construction Documents Complete	Apr 2014	May 2014
Tender Complete	May 2014	June 2014
Commence Construction	Jul 2014	Aug 2014
Construction Complete	Jul 2015	Nov 2015
Occupancy for Fit-Out	Jul 2015	Dec 2015
Operational	Aug 2015	Jan 2016

Major Risks:

- Additional temporary facilities will be required for Continuing Studies to house increased student population perhaps for a longer duration than originally envisioned.



University
of Victoria

SUBMISSION TO THE UVIC BOARD OF GOVERNORS

FOR INFORMATION

17 September 2014

To: Operations and Facilities Committee

From: David Castle, Vice-President Research

A handwritten signature in black ink, appearing to read 'D. Castle'.

cc: President and Vice-Chancellor

Meeting Date: 29 September 2014

Subject: Annual report on University of Victoria approved Research Centres

Basis for Jurisdiction: Establishment and Review of Research Centres RH8300

Previous Consultation:

Operations and Facilities Committee – 26 May 2014 (BOG-May27/14-22)

Executive Council – 9 July 2014

University Secretary

Associate University Secretary

Background:

At the May 26, 2014 Operations and Facilities Committee meeting, it was agreed that new research centre proposals and existing research centre renewals should include additional information about the business case for the centre in question. Staff in the offices of the University Secretary and the Vice-President Research subsequently reviewed the proposal templates to ensure that the contents will provide Board members with sufficient and easily accessible information.

After a review of the process and past practices regarding establishing and renewing research centres staff determined that the correct approval procedures had not been followed in all cases. In a small number of cases, the Board of Governors had been asked to approve, on recommendation of Senate, renewals of centres which it did not need to approve under policy RH8300. There are four types of research centres at UVic: Inter-institutional, Multi-faculty, Inter-faculty and Intra-faculty (definitions and descriptions are provided in the attachments). The policy and procedures for *Establishment and Review of Research Centres (RH8300)* require the Board to consider only proposals on establishment, renewal and closure of Inter-institutional centres. The attached table "Approval levels for establishment, renewal and closure (as required by policy/procedure RH8300)" provides a clear outline of the roles of the various governing bodies in the establishment, renewal and closure process. Responsibility for approving the establishment, renewal and closure of Multi-faculty centres lies with Senate and it is the responsibility of the Vice-President Research to report the decisions of Senate to the Board.

Proposal:

To realign practices with procedure, and to give Board members an annual overview of research centre activity, it is proposed that the Vice-President Research report annually to the Board on the establishment, renewal and closure of Multi-faculty, Inter-faculty and Intra-faculty UVic-approved research centres, rather than doing so on an ad-hoc basis as individual centres are established reviewed, or closed. The establishment, renewal and closure of inter-institutional research centres, will continue to be presented to the Board for approval, as those proposals come forward.

The first annual report was prepared for 2013-2014 and is attached for the information of Board members. Also attached are additional briefing materials including background information on UVic-approved research centres, and a chart that sets out the role of the Deans, VPR, Senate Committee on Planning, Senate and the Board in relation to the establishment, renewal and closure of UVic-approved research centres.

Feedback from the Board on the annual reporting format and process is welcomed.

Planned Further Action:

- From 2015 onwards the VPR will report annually (for information) at the June meeting on the establishment, renewal and closure of UVic-approved research centres.
- The VPR will review and revise the templates related to the establishment and review of inter-institutional centres to ensure the Board is provided with more information on the business case supporting the proposals.

Attachment(s):

- 2013-14 Annual Report on the establishment and renewal of UVic-approved research centres
- Approval levels for the establishment, renewal and closure of UVic-approved research centres
- Background information on UVic-approved research centres

ANNUAL REPORT TO THE BOARD OF GOVERNORS

2013-14

Establishment, renewal and closure of UVic-approved research centres

The purpose of this annual report is to provide the Board of Governors with information about the establishment, renewal and closure of UVic-approved centres.

ESTABLISHMENT OF NEW RESEARCH CENTRES

There were no new research centres established in the 2013-14 academic year.

REVIEW OF EXISTING CENTRES

Inter-institutional

No inter-institutional research centres were reviewed in the 2013-14 academic year.

Multi-faculty

Centre for Biomedical Research (CFBR)*

At the January 28, 2014 meeting of the Board Governors, on the recommendation of Senate, the renewal of CFBR from January 1, 2014 to December 31, 2018 was approved. (BOG-Jan28/14-20)

Centre on Aging (COAG)*

At the May 27, 2014 meeting of the Board Governors, on the recommendation of Senate, the renewal of COAG from April 1, 2014 to March 31, 2019 was approved. (BOG-May27/14-03)

Institute for Integrated Energy Systems (IESVic)*

At the May 27, 2014 meeting of the Board Governors, on the recommendation of Senate, the renewal of IESVic from April 1, 2014 to March 31, 2019 was approved. (BOG-May27/14-03)

Inter-faculty

No inter-faculty research centres were reviewed in the 2013-14 academic year.

Intra-faculty

No intra-faculty research centres were reviewed in the 2013-14 academic year.

** Approval of the renewal of these multi-faculty centres is the responsibility of Senate under policy RH8300 but in 2013-14 the renewal proposals were incorrectly sent to the BOG for approval.*

UVIC-APPROVED RESEARCH CENTRES

Approval levels for establishment, renewal and closure (as required by policy/procedures RH8300)

ACTIONS					
Establishment of new centres	Dean(s)	VPR	SCP	Senate	BOG
Inter-institutional	consult	recommend	recommend	recommend	approve
Multi-faculty	consult	recommend	recommend	approve	information
Inter-faculty	recommend	approve	information	information	information
Intra-faculty	approve	information		information	information
Renewal/closure of existing centres					
Inter-institutional	consult	recommend	recommend	recommend	approve
Pacific Institute for Climate Solutions (PICS)					
Multi-faculty	consult	recommend	recommend	approve	information
Centre for Aboriginal Health Research (CAHR) Centre for Addictions Research BC (CARBC) Centre for Advanced Materials and Related Technology (CAMTEC)* Centre on Aging (COAG) Centre for Asia Pacific Initiatives (CAPI) Centre for Biomedical Research (CFBR) Centre for Cooperative and Community-Based Economy (CCCBc) Centre for Early Childhood Research and Policy (CECRP) Centre for Forest Biology (FORB)* Centre for Global Studies (CFGs) Institute for Integrated Energy Systems (IESVic) Centre for Studies in Religion and Society (CSRS) Centre for Youth and Society (CFYS)					
Inter-faculty	recommend	approve	information	information	information
Institute for Studies & Innovation in Community-University Engagement (ISICUE)					
Intra-faculty	approve	information		information	information
Centre for Social and Sustainable Innovation (CSSI) Victoria Subatomic Physics and Accelerator research centre (VISPA) Centre for Advanced Security, Privacy & Information Systems (ASPIRe)					

*FORB is being considered for transition to intra-faculty centre (Science) and CAMTEC is being considered for transition to inter-faculty centre (Science/Engineering)

BACKGROUND INFORMATION ON UVIC-APPROVED RESEARCH CENTRES

UVic Research centres are organizations made up of **a group of faculty members who collaborate on an area of research**. Their work provides added value over and above their individual research programs. UVic encourages the establishment of research centres that will enhance and facilitate disciplinary and interdisciplinary research collaboration, knowledge transfer and training. At UVic, the purposes of establishing a Research Centre are to:

- a. Promote and facilitate collaborative and/or interdisciplinary research and enhancement of research networking capacity and infrastructure.
- b. Increase and effectively manage the resources and research support for its members and the wider university community.
- c. Provide education and training in research and related skills, especially for graduate and undergraduate students and thereby enhance the academic programs of their constituent academic units.
- d. Contribute to the university's strategic educational and research missions and to support synergies between research, teaching and learning.
- e. Transfer and mobilize knowledge gained through research for the benefit of society, via a variety of mechanisms as appropriate.
- f. Enhance the reputation of its members, the constituent academic units, and the university through the quality of its work.

UVic currently has 18 research centres, 14 of which report to the Vice-President Research (currently delegated to the Associate Vice-President Research) and the rest reporting to a Dean or Deans.

<http://www.uvic.ca/research/learnabout/centres/index.php>

The administrative requirements, approval and renewal processes, breadth of activities, and other aspects of Research Centres occur along a continuum that is proportionate to the breadth of their academic constituencies. This proportionality is primarily based on the location of the majority of the membership and activities of the centre and approximately parallels a department-faculty-university structure. Information about the 18 UVic-approved research centres is listed in their categories below:

INTER-INSTITUTIONAL - membership and activities between multiple universities

Pacific Institute for Climate Solutions (PICS)

Date of establishment: 11 March 2008

Name of Director: Dr. Tom Pedersen

The mission of PICS is to partner with governments, the private sector, other researchers and civil society, in order to undertake research on, monitor, and assess the potential impacts of climate change and to assess, develop and promote viable mitigation and adaptation options to better inform climate change policies and actions.

MULTI-FACULTY - membership and activities normally between 3 or more faculties

Centre for Aboriginal Health Research (CAHR)

Date of establishment: 1 June 2008

Name of Director: Dr. Charlotte Reading

The goal of CAHR is to improve the health and well-being of Aboriginal Peoples through the products and processes of community-based research and knowledge translation. Aboriginal health research must be

undertaken in partnership with communities and must meet the highest standards of both Indigenous and Western methodologies and ethics.

Centre for Addictions Research BC (CARBC)

Date of establishment: 1 April 2003

Name of Director: Dr. Tim Stockwell

CARBC's mandate involves the study of psychoactive substance use, with particular attention to the exploration of ways to minimize negative impacts on individuals and society. Substance use, like other human behaviours, is influenced by multiple factors: personal, social and environmental. Effectively addressing the negative impacts requires understanding the various factors that influence substance use and that contribute to the differential impact of that use (positive or negative).

Centre for Advanced Materials and Related Technology (CAMTEC)

Date of establishment: 1 November 1992

Name of Director: Dr. Byoung Choi

CAMTEC is a research centre committed to interdisciplinary work on advanced materials and technology. CAMTEC's objectives are to carry out fundamental and applied research in advanced materials, to train technical and academic personnel in these areas, and to disseminate the knowledge gained from the research through scientific publications, conferences, workshops and seminars.

Centre for Asia Pacific Initiatives (CAPI)

Date of establishment: 1 April 1989

Name of Director: Vacant pending appointment of Dr. Andrew Marton on 1 December 2014

The Centre's primary mandate is to conduct and facilitate research on policy issues related to the Asia-Pacific region. In addition, the Centre serves as a regional research facility to the University and to the larger community.

Centre for Biomedical Research (CFBR)

Date of establishment: 1 January 2002

Name of Director: Dr. Paul Zehr

The Centre for Biomedical Research (CBR) is a collaborative group of scientists and clinicians who are investigating a number of important biomedical problems. The CBR is a multidisciplinary unit with an emphasis on genetics, molecular biology, and biotechnology. The centre was created to promote interdisciplinary basic and translational biomedical research.

Centre for Cooperative and Community-Based Economy (CCCBBe)

Date of establishment: 1 April 2000

Name of Director: Vacant

CCCBBe is a focal point on campus for the promotion of interdisciplinary research and learning on subjects related to co-operative and community-based economy engaging faculty members from the University of Victoria and elsewhere, graduate and undergraduate students, and members of the wider community.

Centre for Early Childhood Research and Policy (CECRP)

Date of establishment: 5 February 2011

Name of Director: Sibylle Artz (interim)

The Centre's interdisciplinary research, policy work, and educational activities aim to generate fresh insights, consolidate understandings, and improve policies and programs to support optimal child health and development within diverse socio-political and cultural contexts. The centre works collaboratively with communities and organizations on various initiatives.

Centre for Forest Biology (FORB)

Date of establishment: 10 December 1990

Name of Director: Dr. Peter Constabel

The Centre for Forest Biology carries out fundamental and applied research in forest biology, and trains graduate students and postdoctoral fellows. Our research projects emphasize the adaptations of trees and their interactions with the environment. The Centre is now embarking on a major research and training initiative, the NSERC CREATE Program in Forests and Climate Change, which supports graduate students for research on the interaction of trees and forests with climate change, including carbon sequestration.

Centre for Global Studies (CFGS)

Date of establishment: 1 July 2000

Name of Director: Dr. Oliver Schmidtke

CFGS is committed to fostering reflection on the complex array of social forces associated with an increasingly interconnected world characterized by new forms of economic activity, artistic production, politics, media, nationalism, ethnicity, spirituality and community that increasingly transcend local, national and regional boundaries.

Centre for Studies in Religion and Society (CSRS)

Date of establishment: 1 April 1991

Name of Director: Dr. Paul Bramadat

The Centre for Studies in Religion and Society (CSRS) is a leading centre in Canada for scholarly interdisciplinary research on topics at the intersection of religion and public life. We host several national public policy research networks, sponsor visiting fellowships for senior and junior scholars and members of the community, and produce a dynamic annual program of public lectures and seminars.

Centre for Youth and Society (CFYS)

Date of establishment: 1 April 2002

Name of Director: Dr. Anne Marshall

Youth & Society aims to promote the well-being of youth from diverse social, economic, and ethnic backgrounds, across developmental transitions, and in evolving societal circumstances. The core mandate of the Centre is to promote research and action that contribute to the well-being of youth.

Centre on Aging (COAG)

Date of establishment: 1 May 1993

Name of Director: Dr. Scott Hofer

The Centre's mandate is to promote and conduct basic and applied research throughout the lifespan. Research is conducted in partnership with seniors, their families, organizations, health care providers, and the government. The research conducted includes needs assessments and social surveys, experimental research, program evaluations, development of clinical diagnostic tools, and social policy research; some of which is conducted using the Survey Research Centre.

Institute for Integrated Energy Systems (IESVic)

Date of establishment: 1 February 1994

Name of Director: Dr. Peter Wild

The Institute for Integrated Energy Systems at the University of Victoria (IESVic) is unique in its big picture approach to sustainable energy research. Collaboration between mechanical engineers, economists and environmental scientists is the norm rather than the exception. Students get hands-on experience, examining entire sustainable energy systems – from harnessing, storing and converting energy sources to delivering end-user services.

INTER-FACULTY - membership and activities normally between 2 faculties

Institute for Studies & Innovation in Community-University Engagement (ISICUE)

Date of establishment:

Name of Director: Dr. Leslie Brown

Using an innovative structure of community and university governance and collaboration, the Institute is a research centre providing space for the study and practice of engaged scholarship and interdisciplinary innovation. Focused on engagement, the Institute harvests new knowledge, contributing to solutions of community issues, with a focus on sustainability, public policy development and improved theory and practice. Funded by both university and community partners, daily operations of the Institute are delivered by staff in association with research associates, community partners and student interns.

INTRA-FACULTY - membership and activities normally within a single department, a non-departmentalized Faculty, or between departments in a single faculty

Centre in Advanced Security, Privacy & Information Systems (ASPIRe)

Date of establishment: April 2011

Name of Director: Dr. Stephen Neville

The ASPIRe Centre's mandate is to bring together academic researchers working across the core areas of cyber-security, cyber-privacy, and information systems into an open, collaborative, multidisciplinary and multi-perspective Research Centre designed to: increase the visibility of active research; serve as a focal point for technically-focused research; improve existing collaborations and act as a catalyst for future collaborations; and improve the linkages with industry, government, and researchers.

Victoria Subatomic Physics and Accelerator research centre (VISPA)

Date of establishment: January 2011

Name of Director: Dr. Dean Karlen

The Victoria Subatomic Physics and Accelerator (VISPA) Research Centre brings together people with the skills and expertise to investigate the fundamental constituents of the Universe. VISPA members work together on leading international particle physics experiments, share computing and laboratory resources, jointly support and manage technical staff, provide a natural home for adjunct faculty from other institutions, and support high quality graduate and post-doctoral training.

Centre for Social and Sustainable Innovation (CSSI)

Date of establishment: January 2011

Name of Director: Dr. Monika Winn

The Centre for Social and Sustainable Innovation (CSSI) is powered by the constantly charging battery of action, ideas and research housed at the Peter B. Gustavson School of Business. Our goal is to open a door to the array of resources that help students, faculty and staff incorporate all kinds of sustainability into their studies, careers and lives. Business leaders can learn how our research affects their industries, enlist students for creative sustainability solutions, and speak to our classes about their experiences in the field.



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SUBMISSION TO THE UVIC BOARD OF GOVERNORS

FOR DECISION

To: FINANCE COMMITTEE

From: VICE-PRESIDENT FINANCE AND OPERATIONS

cc: President and Vice-Chancellor

Meeting Date: September 30th, 2014

Subject: SHORT TERM INVESTMENT REPORT – To June 30, 2014

Basis for Jurisdiction: Short-Term Investment Policy, FM5200

Recommendation:

THAT the Finance Committee recommend to the Board of Governors approval of the revised Short Term Investment Policy FM5200 as per Appendix 8.

Background:

The following report covers the portfolio and activity of the short-term investment funds (i.e., those apart from pension and endowment funds) for the period ended June 30, 2014. Also contained in this report are the proposed changes to the short-term investment policy based on the results of a review of the existing policy.

Reporting Update:

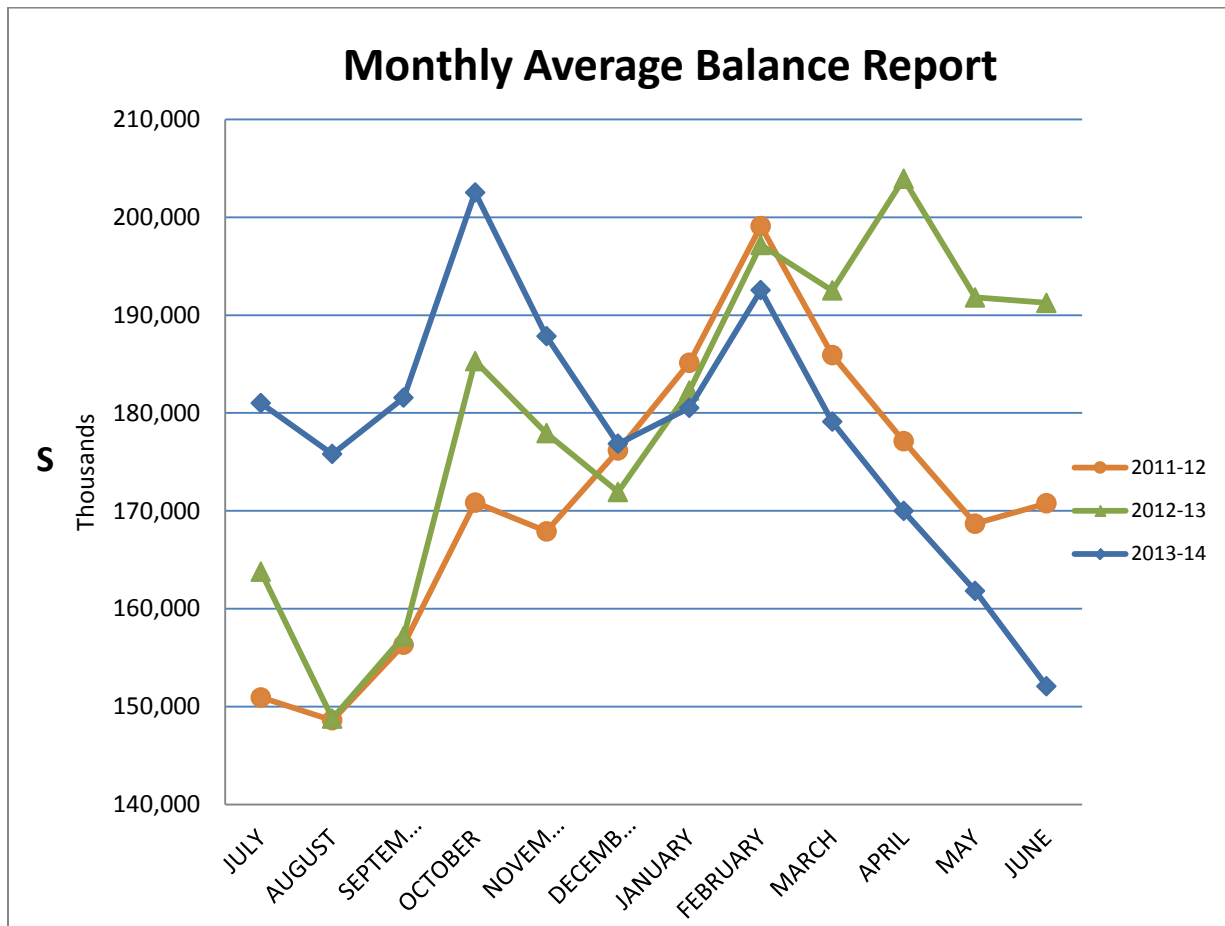
Short Term Funds–Total Assets (Market Value of Average Monthly Holdings)–June 30, 2014

<u>Allocation</u>	<u>Held/Managed</u>	<u>\$ Millions</u>	<u>% Wt.</u>
Cash (CAD and USD)	Bank	14.7	10%
Money Market	Raymond James	80.7	53%
Short Term Bond and Mortgage Fund	PH&N	34.3	23%
Bond Fund	PH&N	22.3	14%
Total Fund		152.0	100%

Report of Monthly Balances in Short-Term Investment Pooled Funds

Volatility of the monthly balances in the university's short-term pooled investments are subject to seasonality. The provincial operating grant is received bi-monthly, which coincides with payrolls being run. The cash peaks generally occur in the fall (September/October) and winter (January/February) when tuition revenues are collected. The following Graph #1 illustrates the value of the short-term investment pool and the seasonality of inflows/outflows of the short term fund levels for the last 3 years. Normally there is a net cash inflow in June but with current capital outflows there was a cash flow decrease during this period.

Graph #1 – Short Term Pooled Fund

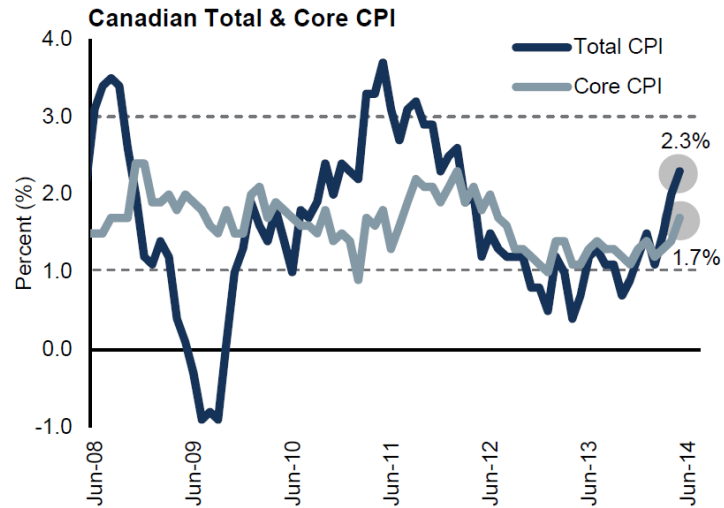


Short Term Interest Rate Activity

The Bank of Canada (BoC) has maintained a 1% overnight rate since September 2010, 4 years and counting. While economic performance has improved slowly the BoC continues to err on the side of stimulative monetary policy (low interest rates) with continued low inflation as measured by the Canadian Consumer Price Index (CPI) below in table #1.

Last year in Canada, the market consensus was that the next interest rate hike would not come until late 2014 or early 2015. In 2014, again rate hikes are unlikely in the near term and it is predicted that rate hikes will come in 2015. In the US, the Federal Reserve has extended its commitment to not increase rates until 2015. Many forecasters are predicting that the US Federal funds rate will be held as is until the 2nd quarter of 2015. Last year our report said given Canadian debt levels, low inflation and slow economic growth are likely to persist and it would not be surprising to see the BoC in a similar holding pattern next year. Again it seems that rate hikes are more likely to occur next year. The stock market performance has far exceed economic growth and any correction is likely to have negative impacts on the economy further reducing the likelihood of any rate increases. Inflation has increased modestly recently (table #1) and is the catalyst that could require central bank action sooner than predicted, however this seems unlikely in the near term. Interest announcements are scheduled as follows:

Table #1



Interest Rate Announcement Dates

Schedule for 2015

October 22
 December 3
 January 21
 March 4
 April 15
 July 15
 September 9
 October 21
 December 2

Investment Yields

Table #2 and #3 below show the yield curve and the 1 year implied change at June 30th, 2014 compared to December 31, 2013. Interestingly 1 year rate expectations have remained relatively stable while rates have declined since August 2013 over each respective term.

Table #2

Government of Canada Yields	1-year	2-year	5-year	10-year	30-year
June 30, 2014	1.01%	1.10%	1.53%	2.24%	2.78%
Forward curve for June 30, 2015	<u>1.18%</u>	<u>1.36%</u>	<u>1.81%</u>	<u>2.45%</u>	<u>2.87%</u>
Implied change (1 Year)	+0.17%	+0.26%	+0.28%	+0.21%	+0.09%

Table #3

Government of Canada Yields	3 Months	2 Year	5 Year	10 Year	30 Year
June 30, 2013	1.01%	1.23%	1.80%	2.44%	2.90%
Forward curve for June 30, 2014	<u>1.24%</u>	<u>1.57%</u>	<u>2.17%</u>	<u>2.68%</u>	<u>2.98%</u>
Implied Change (1 Year)	+0.23%	+0.34%	+0.37%	+0.24%	+0.08%

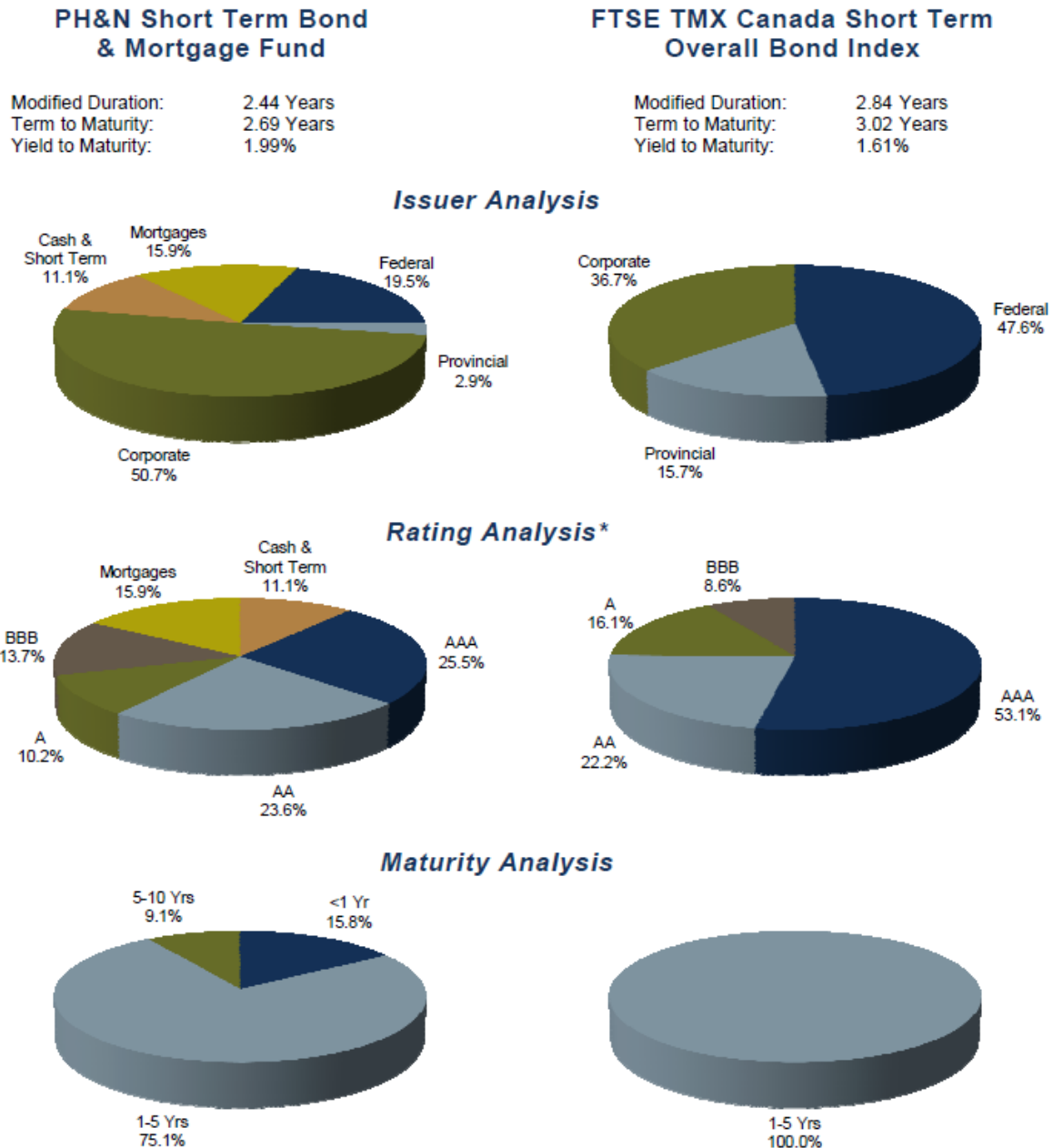
Performance Review of Short-Term Investment Pooled Funds

The first \$10 million in our bank account at the end of June continues to earn a variable rate of 1.25% annually, based on the RBC prime rate of 3.00% minus 1.75%. RBC Bank prime historically has moved in line with the BoC overnight rate. Any funds greater than \$10 million dollars yield 1.35%, which will be reviewed with RBC if there are any changes to the overnight rate. As indicated above there have been no changes to the overnight rate since September 2010.

A review of net performance shows that for the 6 month period ending June 30, Raymond James returned 0.78% compared to the benchmark (FTSE TMX 91-day T-Bill Index) of 0.45%. The one year return of the mandate was 1.53% and added 60 bps of value relative to the benchmark. While the yields are low on an absolute basis, the yield pick-up is relatively large on over 50% of the short term pool.

PH&N's Short Term Bond and Mortgage Fund (STBMF) is benchmarked against the FTSE TMX Short Term Bond Index. In the 6 months ending June 30, the Fund returned 2.1% and outperformed its benchmark by 35 basis points (bps). The one year return for the fund was 3.71% and outperformed its benchmark by 50 bps, mainly as a result of corporate credit strategies and mortgages. Consistent with the overall market and as per table #4, the yield on the Fund has decreased from 2.22% 6 months ago to 1.99% and predictably the return was in line with the starting yield. Table #4 also shows how the composition of the Short Term Bond and Mortgage Fund compares to its benchmark at June 30, 2014. The most significant difference relative to the benchmark remains the underweight in federal bonds and the overweight in corporate bonds.

Table #4 -



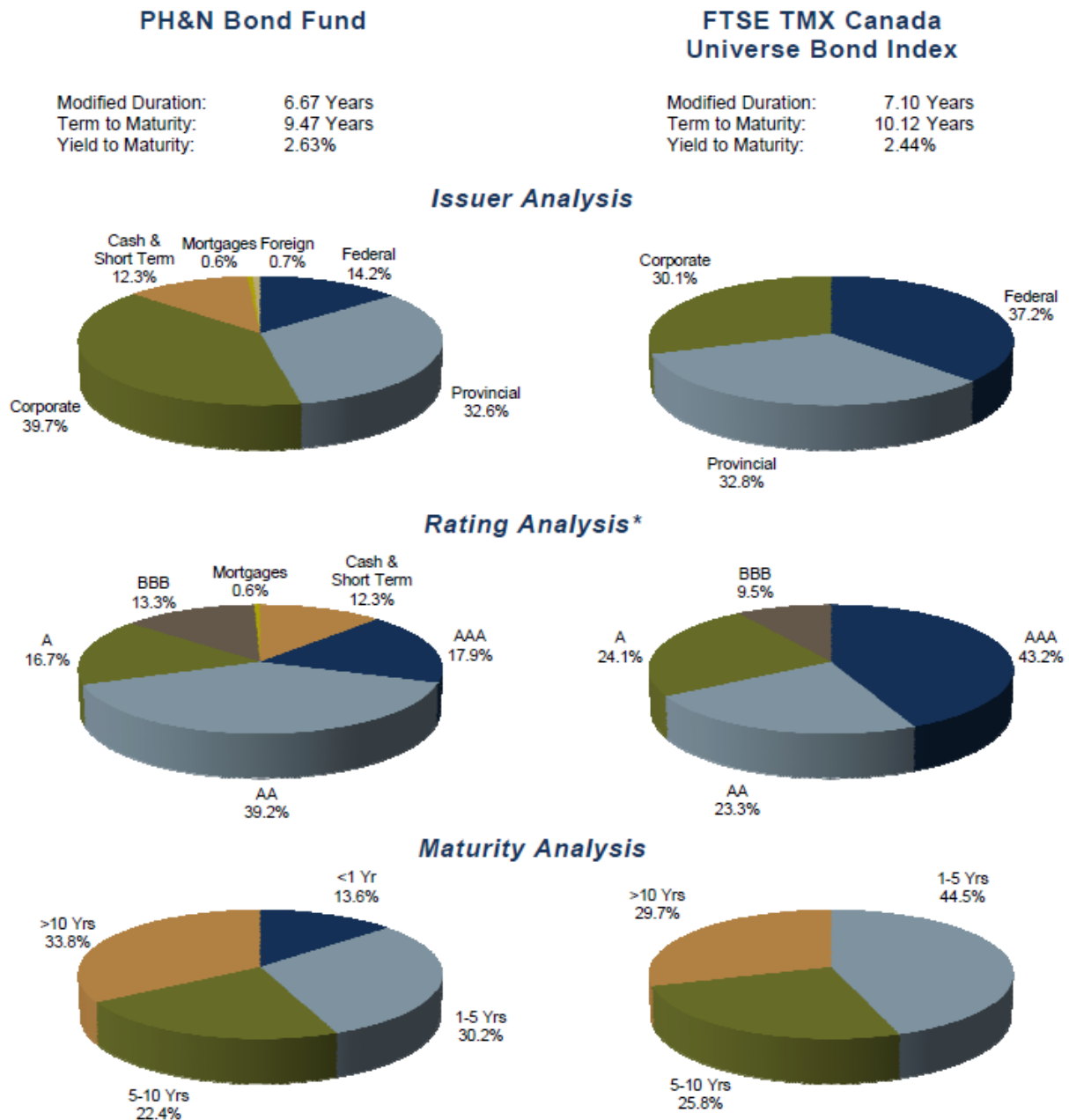
* Current ratings based on average ratings across rating agencies (DBRS, Moody's, S&P) where available. Ratings at the time of purchase may be different.

Totals may not add to 100% due to rounding.

PH&N's Bond Fund (BF) is benchmarked against the FTSE TMX Universe Bond Index. In the 6 months ending June 30, 2014 the Fund returned 5.1% and outperformed its benchmark by 28 bps. The one year return for the fund was 5.81% and outperformed its benchmark by 48 bps. This performance was mostly due to implementing corporate credit strategies.

Per table #5, the yield on the Fund was 2.63% at June 30, 2014 versus 3% in the previous six months. Table #5 below also shows how the composition of the Bond Fund compares to its benchmark at June 30, 2014. The most significant difference relative to the benchmark is the underweight in federal bonds and the overweight in corporate bonds.

Table #5 -



* Current ratings based on average ratings across rating agencies (DBRS, Moody's, S&P) where available. Ratings at the time of purchase may be different.

Totals may not add to 100% due to rounding.

Manager Bond Market Outlook

PH&N Commentary

- So far in 2014, investors have become more confident that the tapering of quantitative easing in the U.S. will not lead to economic chaos. As stimulus reduction has been orderly and short term rate hikes appear on hold in Canada and the U.S. for at least 12 months, an

environment of stability has prevailed. Against this backdrop, short term bond yields throughout North America remained steady.

- Much of last summer's rise in yields has been retraced now, yet the economy is stronger and gaining broad traction. Bond yields have moved down to the lower end of the range indicated as being appropriate by our equilibrium models but are closer to fair value than in periods of acute risk aversion. We expect yields to fluctuate and eventually rise again, although in a more gradual fashion than we saw last year.*
- The past five years have been a recovery process unlike any other in history. In some markets, such as equities and high yield bonds, the pricing of risk indicates that we are in the late innings. In other markets, such as provincial bonds and investment grade credit, compensation for risk remains above average with room to tighten further. Traditional signals of recession (i.e., an inverted yield curve, inventory buildups, declining sales) remain at non-threatening levels, but may not be a reliable guide for navigating this cycle. This time, a policy misstep in a major economy could be painful to the global economy and future trouble may not require a direct catalyst.*
- The relative value of mortgages is strong compared to more liquid provincial and corporate bond opportunities, so we may add exposure to this asset class.*

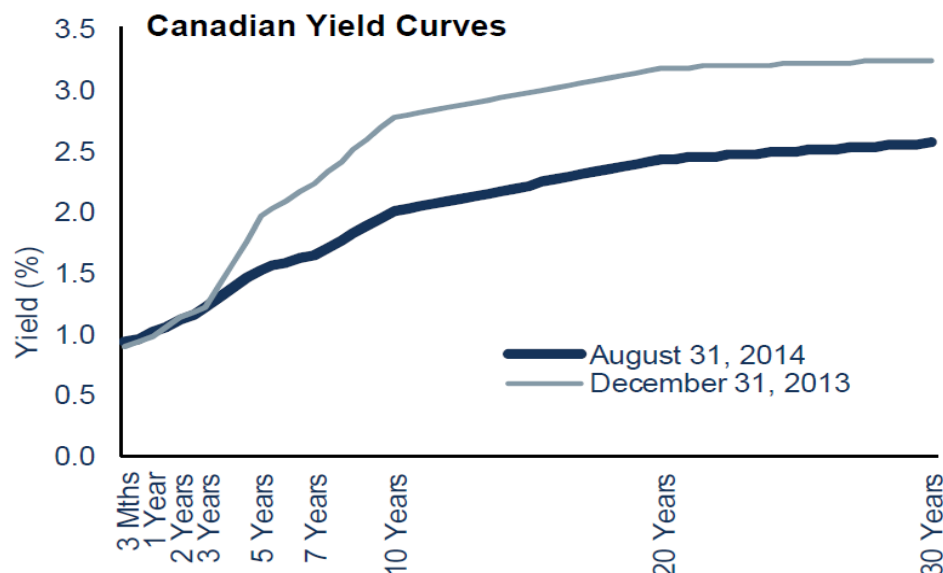
Short Term Funds Investment Return Summary and Analysis

The overall average term to maturity of the portfolio is 2.0 years, 0.8 years short of the benchmark 2.8 average term to maturity. The duration of the portfolio is 1.5, 0.6 years short of the benchmark at 2.1 years. As per tables #4 and #5 this is as a result of the PH&N funds being shorter than their respective benchmark portfolios as well as the overall fund being positioned on the short end as a result of implementing the cash flow immunization strategy for CARSA discussed below. The overall 1 year return of the fund ending June 30, 2014 was 2.3% net of fees (appendix 2). While each mandate outperformed its benchmark the overall fund return was slightly negative due to an overall underweighting of the STFMF and BF which outperformed. The Consumer Price Index increased 1.4% over the same period and as a result, all things being equal, the overall purchasing power of the fund increased over the last year with returns exceeding inflation by 90 bps.

6 Month Total Fund Return	6 Month Benchmark Return	6 Month Over (Under) Performance	1 Year Total Fund Return	1 Year Benchmark Return	1 Year Over (Under) Performance
1.50%	1.61%	-0.11%	2.30%	2.37%	-0.07%

In 2014 equity markets continued to produce strong returns with the Canadian, U.S and World equity benchmarks posting greater than 20% returns. The last two years have left many equity investors wondering when the market correction is coming and how large it will be. Last year, as is more traditional with such strong equity markets, bond markets lagged. This year though, surprisingly, yields dropped again and the Canadian bonds market did well with the Universe Bond benchmark returning 5.3%.

Graph #2



As mentioned in previous Short Term Investment reports, while the timing of this was uncertain, in the long run interest rates were expected to trend upwards. This further decrease has left bond investors waiting for interest rates to rise and will increase losses when rates eventually do. While this would be painful in the short to medium term, it is necessary for investors to earn a more sustainable ongoing yield.

We regularly monitor the S&P/TSX dividend yield compared to the 10 year BoC yield. Yields are what investors earn while they hold an asset. It is unusual to have a 10 year bond yield less than the dividend yield on equities; however at the end of June the yield on the S&P/TSX was 2.8% compared to a 10 year Canadian bond yield of 2.3%. If yields on bonds are less than yields on equities then bond investors are encouraged to take on more risk (traditionally investing in equities), reducing the demand for bonds, decreasing prices and raising yields. However, given the recent run of equities this is less appealing than it was at this time last year. Equities and bonds both increased in value by a relatively substantial amount this year which as mentioned above is unusual and unlikely to be sustainable in the medium to long term.

Last year our report noted that interest rates on short-term investments continue to be extremely low. With recent drop in yields, rates on the longer STBMF and BF are now even lower than last year at 1.99% and 2.63%. There is little chance of capital appreciation and expecting anything greater than that yield over the medium term (3-5 years) time horizon would be unrealistic. Given the existing interest rate and the potential for capital appreciation losses in the short term, investment alternatives were investigated. The results are outlined below in short term investment policy FM5200 update and recommendation section.

Short Term Investment Policy FM5200 – Update and Recommendation

Update - 5 year comparison versus the previous Short Term Investment Policy

In June 2009 the Board approved updating the short term investment policy to include a Bond Fund with longer duration. This was triggered as a result of losing TD Asset Management (TDAM) as manager, as TDAM ceased managing the fund in which we were invested. Cash flow analysis conducted at that time identified that a certain level of reserves were “core,” and as a result, were

unlikely to be drawn upon in the short term, enabling assets to be invested more long-term in order to pick up additional yield.

In conducting the analysis, assumptions used to produce the performance numbers were:

- based on gross returns;
- based on the midpoints of the benchmarks maintained;
- calculated with the bank balance removed since it was only added to the asset reporting in 2009 and has no benchmark; and
- dollar returns based on the average monthly balances maintained.

As depicted in table #6, overall the policy change has been a success in 4 of the 5 years since being implemented and has increased the Short Term Pool investment returns by over 60% over 5 years.

Table # 6 - Short Term Investment Policy

Current Policy			Previous policy		Difference	
	Return (%)	Return (\$)	Return (%)	Return (\$)	Return (%)	Return (\$)
2009-2010	2.6%	4,340,000	1.2%	2,030,000	1.4%	2,310,000
2010-2011	2.1%	3,620,000	1.4%	2,140,000	0.8%	1,480,000
2011-2012	3.1%	4,980,000	1.6%	2,650,000	1.4%	2,330,000
2012-2013	0.8%	1,440,000	1.0%	1,860,000	-0.2%	(420,000)
2013-2014	2.3%	4,200,000	1.5%	2,680,000	1.5%	1,520,000
Total		18,580,000		11,360,000		7,220,000

Recommendation

We are constantly evaluating options to optimize the overall portfolio in order to meet the investment objectives of:

- preserving capital
- providing liquidity, and;
- providing yield at a low level of volatility.

We are mindful that in this low interest rate environment many investors are moving from bonds to more volatile asset classes (e.g., equities) stretching for yield. While we do not think that is an appropriate strategy for the Short Term Pool, we investigated investment alternatives for the longer term fixed income portion of the portfolio with less volatility and capital depreciation risk. As a reminder, the PH&N Bond Fund (BF) was added to the portfolio July 1st, 2009 with a 20% target asset allocation. As of June 30, 2014 the BF returned 5.05% annually on an average asset base of 31 million over that 5 year period. In 2009 when the BF was adopted the yield was 3.7% and had a modified duration of 6.2 years. Modified duration is an interest rate sensitivity measure. For example, a portfolio with a duration of 6.2, would decrease by 6.2% for every 1% increase in interest rates. Inversely, if interest rates decreased by 1% the portfolio would increase by 6.2%. In

turn, the BF in 2009 had a yield that would offset ~60% of a capital loss if there was an interest rate increase of 1%. The BF now has a 2.6% yield while the duration is closer to 6.7. As a result the BF currently has a yield that would now only offset roughly 40% of a capital loss and one could conservatively argue that the likelihood of rates increasing now versus 2009 is much greater, and especially for longer term rates that are more volatile.

As well, in 2009 the STBMF had a yield of 2.8% and had a modified duration of 2.8. As a result, the STBMF had a yield that would offset ~100% of a capital loss if there was an interest rate increase of 1%. Now the STBMF has a 2% yield while the duration is 2.4 meaning that only 80% of a capital loss would be offset if interest rates increased.

In order to decrease interest rate risk and better optimize the portfolio, investment alternatives were considered that include:

- the Provincial Central Deposits Program,
- Short Term Bond Mortgage Fund,
- Long Bond Pension Trust,
- Bond Fund
- High Yield Bond Fund,
- Mortgage Pension Trust, and;
- RBC QUBE Low Volatility Canadian Equity Fund.

Methodology

The above investments were modelled using a Monte Carlo simulation that uses 1,000 different forward looking economic simulations based on specific assumptions (see Appendix 3). Return assumptions for each investment alternative were based on the current yield.

Risk in finance is often referred to as standard deviation. More simply, standard deviation is essentially a measure of how spread out the results being analyzed are. The more spread out results are, the greater the standard deviation and the higher the risk. In turn, the greater the standard deviation is, the more volatile the investment.

Correlations in finance measure how investments interact with one another. Investments that are similar to one another will have a high correlation (closer to 1). If they are not correlated they will have a correlation closer to 0. If they have a negative correlation, then as one investment moves up the other is likely to move down.

In order to determine the appropriate assumptions for risk and correlations: 4 years of historical data was used and verified to be consistent with 10 years of data.

After running the simulation, the most preferred assets to be considered for inclusion in the portfolio were:

- the Provincial Central Deposits Program (CDP) (Appendix 4),
- Short Term Bond Mortgage Fund (STBMF) (Appendix 5),

- High Yield Bond Fund (Appendix 6), and;
- Mortgage Pension Trust (MPT) (Appendix 7).

Each asset was allocated a different percentage based on the level of risk of each portfolio. Table #7 below outlines the most efficient portfolios that were produced consistent with the low risk tolerance of the short term pool. Our current portfolio was included in the analysis as well. While the current portfolio did well, based on the modelling it was apparent that option 1 and option 2 are moderate improvements. Option 1 provides a higher level of return at a reduced risk while option 2 provides an increased return but at an increased level of risk. Based on return/risk, option 1 is the most attractive as it provides the most return per unit of risk.

Table # 7 – Portfolio Options

Asset	CURRENT Portfolio Weight (%)	OPTION 1 Portfolio Weight (%)	OPTION 2 Portfolio Weight (%)
PH&N Bond Fund	20.00	0.00	0.00
PH&N High Yield Bond Fund	0.00	0.00	10.00
PH&N Mortgage Pension Trust	0.00	20.00	15.00
PH&N Short Term Bond & Mortgage Fund	25.00	25.00	20.00
Provincial CDP	55.00	55.00	55.00
Return	1.85	1.99	2.28
Risk	0.90	0.72	1.23
Return/Risk	2.06	2.78	1.86

In order to implement this portfolio, the CDP would be added to the investment policy as a permitted investment. The CDP would be used tactically and in conjunction with our existing money market investments made through Raymond James if the risk adjusted return was superior to that available in the market. The STBMF allocation would remain. The most significant change in the investment strategy would be that the BF would be sold and the proceeds would be allocated to a new MPT. In addition to providing a superior risk adjusted return, the MPT relative to the BF has:

- a relatively attractive current yield of 3.3% compared to the BF of 2.6%,
- a relatively low duration of 3.3 compared to 6.7 for the BF, making it less sensitive to interest rate rises, and;
- a relatively attractive yield to duration trade off, if there was an interest rate increase of 1%, 100% of a capital loss would be offset by the yield.

The yield on the MPT is increased for owning an illiquid, high quality first mortgage on an income producing property. Illiquidity is mitigated as the fund is nearly \$2B and holds a buffer of 10-15% (nearly \$200M to \$300M) in liquid bonds in order to provide liquidity to fund holders. The fund has never had to turn down a redemption request, including during 2008.

While investment manager fees on the MPT are higher, given UVic's substantial assets with PH&N fees would come in at approximately 5 bps higher at 23 basis points per year. If we are to make an allocation to the MPT, it would be drawn down in a few tranches, over a few months. While waiting

for the drawdowns to occur, it is recommended the funds from the BF be moved to the STBMF now.

In order to implement the recommended option, changes are required to the Short Term Investment Policy FM5200 as contained in the attached Appendix 8.

CARSA Cash Flow – Investment Strategy Update

Given the significant dollar value of this project relative to the short term investment pool, we are continuing to align the cash inflows and outflows. The goal of aligning cash inflows and outflows is to mitigate the interest rate risk so that any interest rate volatility will affect the assets and liabilities similarly. This strategy is commonly referred to as interest rate immunization or liability driven investing. For example, if \$102 is needed 1 year from now, if interest rates are 2% then \$100 needs to be invested today to have \$102 in a year. If 1 year interest rates move 1% higher the next day, while accounting-wise the value of the bond decrease, if you hold bond to maturity you will still receive the 2% interest and \$100 in principal in one year and have \$102 when the cash is needed.

The main advantage of this strategy was to mitigate the interest rate risk while continuing to earn a reasonable rate of interest. This strategy protects the assets put aside in the event interest rates increase and conversely has an associated opportunity cost if interest rates decrease further. To date, long term interest rates have increased more than expected and this strategy has ensured the funds will continue to earn a reasonable rate and that the funds put aside now will be sufficient to fund the project.

This strategy is not viewed as having a material impact on liquidity, credit or default risk and will continue until CARSA completion. As at June 30, 2014, roughly half of the cash disbursements for the project have been made and all remaining funds are invested in money market investments to match upcoming liabilities.

Managing Exchange Rate Risk

As per section 6.01 of the short term investment policy 5200 below, we manage the exchange rate risk to reduce the risk of significant negative variances in our operating and research budgets in the current fiscal year. This approach was chosen as we are mindful that our internal expertise is to facilitate operational transactions and not to attempt to create value by taking currency positions. In addition, it is important to recognize that budgets are established and modified on an annual basis giving the opportunity for annual adjustments based on economic circumstances. The policy is as follows:

6.01 Currency (or Exchange Rate) Risk Management

The university recognizes that exchange rate risks are incidental to normal business operations. The University does not normally hedge against foreign currency transactions as a matter of general practice.

Where a specific transaction or group of transactions is to occur in a foreign currency and the amount of the transaction exceeds \$50,000 USD, or there is some concern about currency fluctuations, the Vice President Finance and Operations may authorize the purchase of hedging products which are effective in managing risk and make hedging decisions based on the institution's objectives and tolerance for risk, rather than market conditions.

Implementation

After meeting with the library in April 2014 we determined that \$218K U.S. dollars (USD) should be purchased in order to protect the purchasing power of the 2014-15 library acquisitions budget. This is much less than the 1.1 million US last year due to two major contracts yet to be renewed. The USD were purchased at rates ranging from 1 USD = 1.09 - 1.11 Canadian dollar (CAD).

Appendix 1 - Report of Monthly Balances in Short-Term Investment Pooled Funds¹ and Investment Performance

	Policy FM5200	RBC		Raymond James		PH&N Short Term Bond & Mortgage Fund		PH&N Universe Bond Fund		Total Portfolio	
2014	Jan	22,792,107	13%	102,428,607	57%	33,824,974	19%	21,492,320	12%	180,538,008	100%
2014	Feb	34,125,294	18%	102,570,685	53%	34,027,636	18%	21,820,942	11%	192,544,557	100%
2014	Mar	17,545,058	10%	105,637,853	59%	34,076,473	19%	21,853,921	12%	179,113,304	100%
2014	Apr	14,255,537	8%	99,696,161	59%	34,133,875	20%	21,894,439	13%	169,980,012	100%
2014	May	16,722,330	10%	88,772,448	55%	34,246,929	21%	22,085,961	14%	161,827,667	100%
2014	Jun	14,764,395	10%	80,735,121	53%	34,335,709	23%	22,253,827	15%	152,089,051	100%

¹ Assets are reported on average market monthly holdings

Appendix 2 - Investment Performance Report - Returns as at June 30, 2014

Raymond James

Monthly Return	Monthly FTSE TMX 91-Day T-Bill Index	Monthly Over (Under) Performance	1 Year Fund Return	1 Year FTSE TMX 91-Day T-Bill Index	Yearly Over (Under) Performance
0.14%	0.07%	0.07%	1.51%	0.97%	0.54%

PH&N – Short Term Bond and Mortgage Fund

Monthly Return	Monthly FTSE TMX Short Term Bond Index	Monthly Over (Under) Performance	3 Month Return	3 Month FTSE TMX Short Term Bond Index	3 Month Over (Under) Performance	1 Year Fund Return	1 Year FTSE TMX Short Term Bond Index
0.10%	0.07%	0.03%	0.78%	0.68%	0.10%	3.71%	3.21%

PH&N – Bond Fund

Monthly Return	Monthly FTSE TMX Universe Bond Index	Monthly Over (Under) Performance	3 Month Return	3 Month FTSE TMX Universe Bond Index	3 Month Over (Under) Performance	1 Year Fund Return	1 Year FTSE TMX Universe Bond Index	1 Year Over (Under) Performance
0.26%	0.25%	0.01%	2.04%	1.99%	0.05%	5.81%	5.33%	0.48%

Total Fund Return vs. Benchmark Return – (including bank deposits and based on average monthly balances)

Monthly Total Fund Return	Monthly Benchmark Return	Monthly Over (Under) Performance	3 Month Total Fund Return	3 Month Benchmark Return	3 Month Over (Under) Performance	1 Year Total Fund Return	1 Year Benchmark Return	1 Year Over (Under) Performance
0.14%	0.11%	0.04%	0.67%	0.68%	-0.01%	2.30%	2.37%	-0.07%

Appendix 3 – Investment Assumptions

Assumption table:	PH&N Bnd Fnd	PH&N Hi Yld Bnd Fd	PH&N Long Bnd Pnsn Trst	PH&N Mort Pen Trust	PH&N Shrt Trm Bnd & Mort Fd	PH&N Total Rtn Bnd Fnd	PHN Low Vol Cndn Eq	Provincial CDP
Return	2.60	5.20	2.50	3.30	2.00	2.90	7.50	1.50
Risk	3.06	10.00	6.37	2.12	1.23	2.97	15.00	0.07
Correlations								
PH&N Bond Fund	1.00							
PH&N High Yield Bond Fund	0.26	1.00						
PH&N Long Bond Pension Trust	0.96	0.10	1.00					
PH&N Mortgage Pension Trust	0.88	0.08	0.84	1.00				
PH&N Short Term Bond & Mortgage Fund	0.89	0.32	0.77	0.90	1.00			
PH&N Total Return Bond Fund	0.99	0.29	0.96	0.87	0.88	1.00		
RBC QUBE Low Volatility Canadian Equity Fund	0.13	0.60	0.07	0.13	0.18	0.15	1.00	
Provincial CDP	0.02	-0.13	-0.01	0.02	0.07	0.02	-0.10	1.00

Appendix 4 – Central Deposit Program (CDP) Summary

Provincial Treasury has operated the Central Deposit Program (CDP) since 2012. It was established for more effective cash management among provincial public sector entities in response to the Auditor General's 2010 report on working capital balances in the Schools, Universities, Colleges and Hospital Sectors.

Specifically the program takes deposits from entities with idle cash, provides a competitive deposit rate of return, deploys that cash to reduce government borrowing and allows participating entities to draw on their cash balance as needed – essentially working similar as a bank. Interest is calculated daily and credited on a monthly basis to the CDP account at a rate of Prime less 1.5% (currently 1.5%) paid monthly. This is a floating rate that will move as Prime moves. Withdrawals can be initiated through the CDP system with deposits to organization's bank account in no more than three days.

As at the end of April there are 49 entities participating in the CDP with total deposits of \$1.2 billion.

Appendix 5 – Short Term Bond and Mortgage Fund Summary

PHILLIPS, HAGER & NORTH
 Investment Management®

PH&N Short Term Bond & Mortgage Fund

June 30, 2014

Investment Objective

The fund seeks to provide stability of capital and generate interest income by investing primarily in a well-diversified portfolio of short-term fixed income securities issued by Canadian governments and corporations and first mortgages on property located in Canada.

Investment Approach

A diversified, actively managed fixed income portfolio that aims to provide competitively high yields and stability of capital by investing primarily in Canadian government and corporate bonds and multi-residential mortgages. Securities purchased will not have a term to maturity exceeding seven years and will average three years.

To achieve the fund's investment objectives, we invest in high-quality Canadian corporate bonds, government bonds, and up to 40% of the fund's net assets in conventional first mortgages and mortgages guaranteed under the National Housing Act (Canada).

Portfolio Characteristics

	Fund	Benchmark
Average Yield (%)	2.0	1.6
Modified Duration (yrs)	2.4	2.8
Average Term (yrs)	2.7	3.0

Term to Maturity (%)

	Fund	Benchmark
Under 1 Year	15.8	0.0
1-5 Years	75.1	100.0
5-10 Years	9.1	0.0

Fund Facts

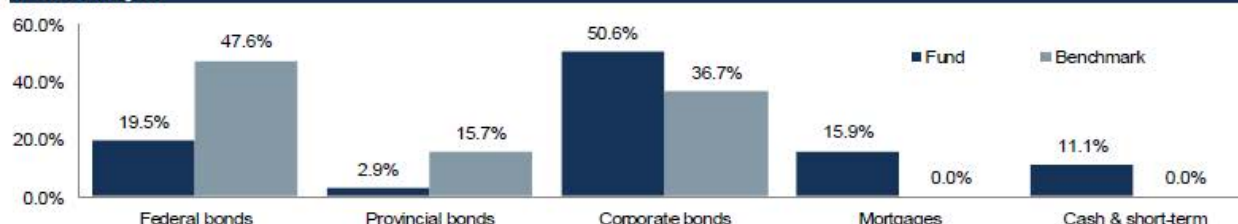
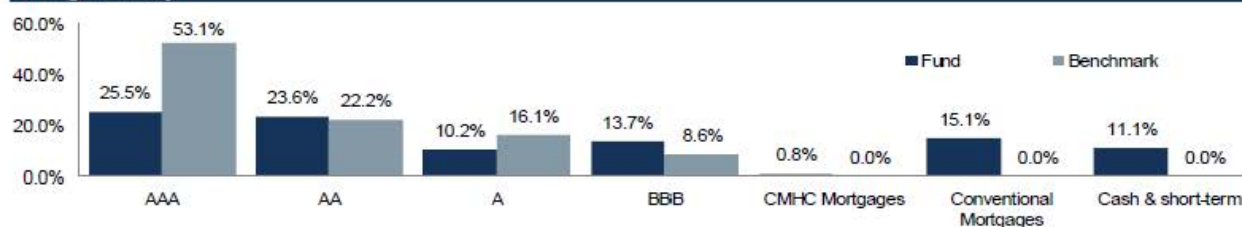
Fund type	Canadian short term fixed income
Assets	\$4,060.8 million
Benchmark	FTSE TMX Canada Short Term Overall Bond Index
Currency	C\$
Inception	December 31, 1993 (prospectus)
Restrictions	For investment restrictions and guidelines, please see the fund's Mandate Profile.

Asset Mix (%)

	Fund	Benchmark	Policy Range
Fixed Income	88.9	100.0	75-100
Cash & Short-term	11.1	0.0	0-25

Top 10 Holdings (%)

Canada Housing Trust No. 1 2.750 15-Jun-16	6.7
Canada Housing Trust No. 1 2.050 15-Jun-17	3.9
Bank of Montreal 2.960 02-Aug-16	3.1
Province of Ontario 4.400 02-Jun-19	2.7
Cards II Trust 1.984 15-Jan-16	2.1
Canada Housing Trust No. 1 2.350 15-Dec-18	1.9
CIBC 1.750 01-Jun-16	1.7
Royal Bank of Canada 2.070 17-Jun-16	1.3
Toronto-Dominion Bank 2.433 15-Aug-17	1.2
CIBC 4.110 30-Apr-20	1.2

Issuer Analysis

Rating Summary


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Please contact Phillips, Hager & North Investment Management at: institutions@phn.com

Please read the disclosures at the end of the document.

Fixed
Income

Short-Term
Bonds

PH&N Short Term Bond & Mortgage Fund

Annualized Performance (%) for Periods Ending June 30, 2014

	3 mos	YTD	1 yr	2 yrs	3 yrs	4 yrs	5 yrs	7 yrs	10 yrs	Since Inception
Fund	0.78	2.10	3.71	2.79	3.10	3.20	3.66	4.51	4.31	5.55
Benchmark	0.68	1.75	3.21	2.28	2.78	2.88	3.16	4.31	4.07	5.33

Annual Performance (%) for Years Ending June 30

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Fund	3.71	1.87	3.72	3.50	5.51	7.49	5.86	4.28	0.75	6.59
Benchmark	3.21	1.36	3.80	3.16	4.31	8.02	6.46	4.02	0.09	6.54

Rolling Four-Year Performance (%) for Years Ending June 30

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Fund	3.20	3.64	5.05	5.58	5.78	4.57	4.35	3.82	4.70	6.55
Benchmark	2.88	3.15	4.81	5.47	5.69	4.61	4.24	3.56	4.48	6.48

All performance figures are for Series O gross-of-fee and in Canadian dollars.

Risk Analysis for Periods Ending June 30, 2014

	Three Years		Five Years		Seven Years	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Standard Deviation	1.01	1.20	1.41	1.55	1.81	1.81
Sharpe Ratio	2.16	1.56	2.07	1.56	1.81	1.70
Information Ratio	0.94	-	1.34	-	0.22	-
Beta	0.82	-	0.89	-	0.87	-
Tracking Error (%)	0.33	-	0.37	-	0.92	-

Appendix 6 – RBC High Yield Bond Fund Summary

PHILLIPS, HAGER & NORTH
Investment Management®

RBC High Yield Bond Fund

March 31, 2014

Investment Objective

The fund seeks to provide a high level of income and the opportunity for capital appreciation by investing primarily in a well-diversified portfolio of fixed income securities issued by Canadian and/or foreign corporations.

Investment Approach

To achieve the Fund's objectives, the portfolio manager:

- Primarily invests in higher yielding debt securities rated BBB to B, targeting an average portfolio rating of BB. The Fund's holdings are predominantly concentrated in bonds issued by U.S. and Canadian companies in the U.S. high yield market, hedged back to C\$.
- Employs a value-focused philosophy for corporate bonds, striving to invest in quality companies with stable to improving financial profiles which are considered to be undervalued.
- Conducts detailed company credit and industry analysis to identify investment opportunities offering high probabilities of superior rates of return while simultaneously minimizing default prospects.

Fund Facts

Fund type	High yield fixed income
Assets	\$1,237.1million
Benchmark	FTSE TMX Canada Universe Bond Index*
Currency	C\$
Inception	October 12, 2010 (prospectus)
Restrictions	For investment restrictions and guidelines, please see the fund's Mandate Profile.

*The fund targets to outperform the FTSE TMX Canada Universe Bond Index by 200 basis points annualized over a market cycle.

Asset Mix (%)

	Fund	Benchmark	Policy Range
Fixed Income	95.2	100.0	85-100
Cash & Short-term	4.8	0.0	0-15

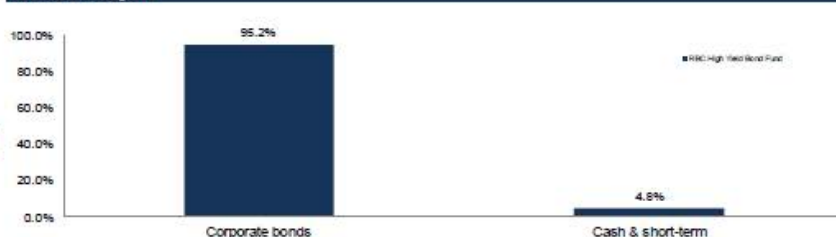
Portfolio Characteristics

	Fund	Benchmark
Effective Yield (%)	5.5	2.5
Effective Duration (yrs)	4.9	6.8
Average Term (yrs)	6.2	9.8

Term to Maturity (%)

	Fund	Benchmark
Under 1 Year	5.9	0.0
1-5 Years	18.5	44.0
5-10 Years	75.6	26.5
Over 10 Years	0.0	29.5

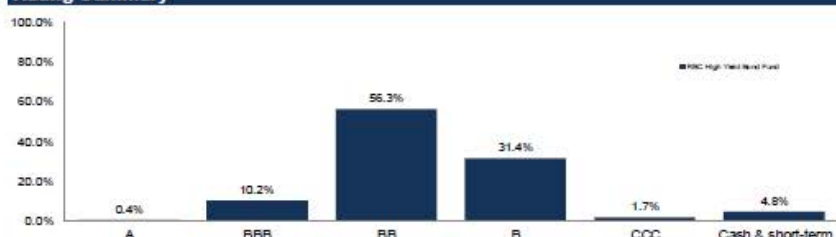
Issuer Analysis



Top 10 Holdings

	%
Ford Credit Canada Ltd. 7.500 15-Aug-15	2.6
Sprint Nextel Corp. 9.000 15-Nov-18	2.0
Bell Corp. 5.750 15-May-21	1.9
DISH DBS Corp. 7.875 01-Sep-19	1.9
T-Mobile USA Inc. 6.625% Apr 1 23	1.7
Concho Resources Inc. 7.000 15-Jan-21	1.6
Videotron Ltd. 6.875% Jul 15 21	1.6
Smithfield Foods Inc. 6.625 15-Aug-22	1.6
Continental Resources Inc. 7.125 01-Apr-21	1.5
Rite Aid Corp. 8.000 15-Aug-20	1.5

Rating Summary



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Please read the disclosures at the end of the document.



RBC High Yield Bond Fund

Annualized Performance (%) for Periods Ending March 31, 2014

	3 mos	1 yr	2 yrs	3 yrs	Since Inception
RBC High Yield Bond Fund	2.80	6.41	8.11	8.55	8.54
DEX Universe Bond Index	2.77	0.84	2.67	4.98	3.99

Annual Performance (%) for Years Ending March 31

	2014	2013	2012
RBC High Yield Bond Fund	6.41	9.84	9.43
DEX Universe Bond Index	0.84	4.54	9.74

All performance figures are for Series O gross-of-fee and in Canadian dollars.

Risk Analysis for Periods Ending March 31, 2014

	Three Years	
	Fund	Benchmark
Standard Deviation	4.34	3.38
Sharpe Ratio	1.76	1.20
Information Ratio	0.69	-
Beta	0.16	-
Tracking Error (%)	5.15	-

Appendix 7 – Mortgage Pension Trust Summary

PHILLIPS, HAGER & NORTH

Investment Management®

PH&N Mortgage Pension Trust

June 30, 2014

Investment Objective

The fund seeks to provide relatively high yields by investing primarily in a portfolio of first mortgages on income producing property located in Canada.

Investment Approach

The fund will invest primarily in individual mortgages on commercial properties (industrial/office/retail) as well as having some exposure to the multi-residential market. Most of the mortgages will not be CHMC guaranteed. It is intended that the fund be diversified, both geographically and by property type, with an emphasis on major population centres. Specifically, the fund is aiming to outperform the benchmark by 100 basis points per annum. The average term to maturity of the fund will be 2 – 5 years.

Fund Facts	
Fund type	Canadian short term fixed income
Assets	\$2,176.1 million
Benchmark	FTSE TMX Canada Short Term Overall Bond Index
Currency	C\$
Inception	November 30, 2001
Restrictions	For investment restrictions and guidelines, please see the fund's Mandate Profile.

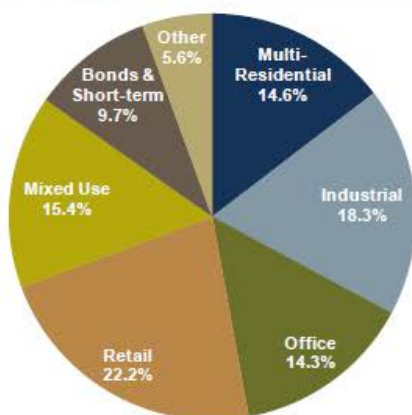
Asset Mix (%)		
	Fund	Policy Range
CMHC Mortgages	0.2	100
Conventional Mortgages	90.1	
Fixed Income	4.4	10-25
Cash & Short-term	5.3	

Portfolio Characteristics	
	Fund
Current Yield (%)	3.3
Modified Duration (yrs)	3.2
Average term to maturity (y)	4.1
Weighted Amortization (yrs)	24.1

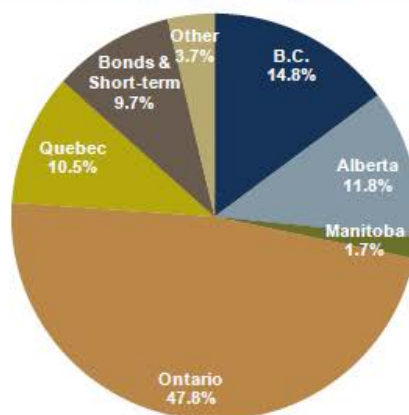
Portfolio Characteristics	
	Fund
Number of Mortgages	585
Weighted Average Spread (over equivalent term GoC)	193 bp
Current Ratios	Loan/Value = 56% CF Coverage = 1.8x

Top 10 Holdings (%)		
Government of Canada	2.500 01-Jun-15	1.8
PENMOR MPM9494	3.100 JUL 01 17	1.3
Province of Quebec	4.500 01-Dec-16	1.2
PENMOR MPM9214	2.4 360 MAR 01 17	1.1
PENMOR MPM9213	1.4 500 DEC 01 15	0.9
PENMOR MPM11058	1.4 550 SEP 01 20	0.9
PENMOR MPM10405	3.920 JUL 05 20	0.9
PENMOR MPM10373	3.700 JUL 01 17	0.9
PENMOR MPM10469	4.110 SEP 01 22	0.9
PENMOR MPM11639	4.230 AUG 01 24	0.9

Sector Allocation – Property Type



Sector Allocation – Geographic Distribution



Need more information?

Please contact Phillips, Hager & North Investment Management at: institutions@phn.com

Please read the disclosures at the end of the document.

Fixed
Income

Mortgages

For qualified investors only. Not for further distribution.

PH&N Mortgage Pension Trust

Annualized Performance (%) for Periods Ending June 30, 2014

	3 mos	YTD	1 yr	2 yrs	3 yrs	4 yrs	5 yrs	7 yrs	10 yrs	Since Inception
Fund	1.40	3.43	5.48	3.58	4.46	4.54	5.64	5.55	5.48	5.58
Benchmark	0.68	1.75	3.21	2.28	2.78	2.88	3.16	4.31	4.07	4.27

Annual Performance (%) for Years Ending June 30

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Fund	5.48	1.73	6.24	4.77	10.14	4.92	5.77	5.34	1.70	9.02
Benchmark	3.21	1.36	3.80	3.16	4.31	8.02	6.46	4.02	0.09	6.54

Rolling Four-Year Performance (%) for Years Ending June 30

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Fund	4.54	5.68	6.50	6.38	6.52	4.42	5.43	4.97	5.85	-
Benchmark	2.88	3.15	4.81	5.47	5.69	4.61	4.24	3.56	4.48	-

All performance figures are for Series O gross-of-fee and in Canadian dollars.

Risk Analysis for Periods Ending June 30, 2014

	Three Years		Five Years		Seven Years	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Standard Deviation	1.89	1.20	2.20	1.55	2.40	1.81
Sharpe Ratio	1.88	1.56	2.22	1.56	1.80	1.70
Information Ratio	1.81	-	2.15	-	0.84	-
Beta	1.45	-	1.24	-	1.04	-
Tracking Error (%)	0.93	-	1.15	-	1.48	-

Appendix 8 –Short Term Investment Policy 5200 with recommended changes

Appendix 8 - SHORT-TERM INVESTMENT POLICY WITH RECOMMENDED CHANGES



SHORT-TERM INVESTMENT POLICY

University Policy No.: FM5200 (1480)
Classification: Financial Management
Approving Authority: Board of Governors
Effective Date: June 2009
Supersedes: November 2008
Last Editorial Change: September 2012
Mandated Review:

BACKGROUND

- 1.00 The University of Victoria ("the University") has short-term investments from its operations that are apart from pensions and endowments that are professionally managed externally. The funds arise from operating, research and capital project financing received in advance, insurance reserves and from appropriations of funds set aside for equipment replacement and future initiatives including carryovers of funds not spent by departments in the fiscal year.
- 1.01 The cash flows of the University are generally predictable and permit the investment of the short-term funds. A portion of the funds must be invested so that they are sufficiently liquid to meet periodic cash needs of \$5 million or more on relatively short notice.

AUTHORITY

- 2.00 The funds are to be invested in accordance with Section 57 of the [*University Act*](#), which states that "subject to a contrary intent expressed in a gift, devise bequest or trust, Section 15 of the Trustee Act does not apply to investments made by a board of a university and each board (a) may invest money belonging to the university and available for investment, and (b) must, when investing under paragraph (a), make investments that a prudent person would make."

INVESTMENT OBJECTIVES BASED ON RISK AND RETURN

- 3.00 **The investment objectives are:**
- a) to preserve capital;
 - b) to provide liquidity by the investment of a portion of the Funds in liquid short-term investments that can be converted to cash with no risk of principal loss; and
 - c) to provide yield at a low level of volatility by the investment of a portion of the funds in bonds.

INVESTMENT CONSTRAINTS

4.00

a) Liquidity

In light of the nature of the assets as per the asset allocation below a majority of the assets will be invested in cash and cash equivalents with an average duration of less than 90 days. This will minimize the liquidity risk that stems from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss.

b) Credit Quality

The Fund assets are to be invested at all times in a prudently diversified portfolio. Reference credit ratings for bonds are those as published and regularly reviewed and/or revised by recognized debt rating agencies, including DBRS, Standard & Poor's and Moody's.

The portfolio manager will be responsible for diversifying the bonds by type and by sector and for prudently and diligently managing credit risk. If downgrades occur it is expected the portfolio manager will closely monitor the situation and provide updates to the University administration.

The Vice-President Finance and Operations will develop investment manager guidelines for the universe bond mandate. These will be developed in conjunction with the investment managers to ensure consistency with applicable pooled funds. These guidelines will be reported to the Board as part of the semi-annually reporting on performance.

Mortgages

The investment constraints established above for credit quality minima applicable to bonds shall by equivalency apply to the selection and weighting of credit quality applicable to mortgage holdings. The portfolio manager will be responsible for diversifying the mortgages by type and by geographic location and for prudently and diligently managing the risks associated with exposure to individual properties.

INVESTMENT MANAGERS

5.00

a) Selection

The Vice-President Finance and Operations will recommend for the Board to appoint one or more suitably qualified external professional investment managers. The selection of an Investment Manager will be made in a prudent manner, applying fair and reasonable identification, evaluation and selection standards, taking into account for a potential Investment Manager:

- the relevant experience and expertise
- suitability of investment style
- the structure of the organization
- turnover of personnel
- capacity and servicing capabilities
- investment performance record, including consistency of performance and risk
- investment management fees

b) Duties and responsibilities

- exercise care, diligence and skill of a prudent investment counsellor and shall at all times act on a basis that is fair and reasonable
- adhere at all times to the Code of Ethics and Standards of Professional Conduct adopted by the Association of Investment Management and Research
- provide monthly reports of transactions and rates of return
- provide quarterly reports of portfolio holdings, results achieved and explanations of any shortfall from the benchmark
- inform the Vice President Finance and Operations promptly of any changes in the Investment Manager's firm, including changes of ownership, senior investment personnel or investment style

AUTHORIZED INVESTMENTS AND LIMITS

6.00 That in placing short-term investments, the Vice-President Finance and Operations be instructed to advance funds to be managed by the following financial institutions in their respective mandates. Should a large cash inflow or outflow occur resulting in a breach of the maximum and minimum percentages above, the University's treasury staff will advise the Vice President Finance and Operations of the breach and take the steps necessary to rebalance within the policy parameters in a prudent manner.

Allocation	Held/ Managed	Benchmark	% Weight Investment Range
Cash (CAD and USD)	Bank	N/A	0%-10%
Short Term Investments	UBS, Provincial Cash Deposit Program and Raymond James	FTSE TMX CanadaDEX 91-day T-Bill Index	40%-60%
Short Term Bond and Mortgage Fund	PH&N	FTSE TMX CanadaDEX Short Term Bond Index	10%-40%
Universe Bonds Index Mortgage Pension Trust	PH&N	FTSE TMX Canada Short Term Bond IndexDEX Universe Bond Index + 100 basis points	10%-30%

The distribution of weights among asset classes will be determined based on the University's cash balances, near-term liquidity requirements and capital plans over the longer horizon.

6.01 Currency (or Exchange Rate) Risk Management

The University recognizes that exchange rate risks are incidental to normal business operations. The University does not normally hedge against foreign currency transactions as a matter of general practice.

Where a specific transaction or group of transactions is to occur in a foreign currency and the amount of the transaction exceeds \$50,000 USD the Vice President Finance & Operations may authorize the purchase of hedging products which are effective in

managing risk and make hedging decisions based on the institution's objectives and tolerance for risk, rather than market conditions.

REPORTING

- 1.00 THAT a report of short-term investments be submitted semi-annually to the Board of Governors, including investment performance of each fund compared to benchmarks and adherence to each fund's stated guidelines of duration, investment constraints and credit risk exposure.
- 2.00 THAT the Vice-President Finance and Operations be authorized to exercise discretion in varying the application of the foregoing policy directives on the understanding that any such variations shall be identified in the semi-annual reports referred to above, but in no event shall investments be made in funds not authorized.



University
of Victoria

SUBMISSION TO THE UVIC BOARD OF GOVERNORS

FOR INFORMATION

To: Finance Committee

From: VICE-PRESIDENT FINANCE AND OPERATIONS

A handwritten signature in dark ink, appearing to read "G. Hill", is written over the text "VICE-PRESIDENT FINANCE AND OPERATIONS".

cc: President and Vice-Chancellor

Meeting Date: September 30, 2014

Subject: Long Term Disability Trust Financial Statements

Basis for Jurisdiction: Committee's Terms of Reference 6.1

Background:

The Long Term Disability Trust was established July 1, 2007 to administer the employee-funded long term disability plan for UVic's faculty and administrative and academic professional staff.

Attached are the Trust's financial statements for the year ended March 31, 2014 which have received a "clean" audit opinion from the Trust's external auditors, Grant Thornton.

The Trust's financial position improved slightly over the fiscal year with an increase in plan assets available for benefits to \$10.1 million (2013-\$9.0 million) and liabilities to \$14.1 million (2013-\$13.1 million) resulting in an unfunded liability of \$4.0 million (2013-\$4.0 million) and a funded ratio of 72% (2013 -69%).

The plan obtains an actuarial valuation every three years and the 2014 valuation is currently in process with results expected in the fall.

The Faculty Association and the Professional Employees Association, representing the two largest employee groups in the plan have requested a joint investigation into alternative plan structures (such as a plan insured by an external carrier) to determine if a more cost effective plan can be found.

**LONG TERM DISABILITY TRUST
FINANCIAL STATEMENTS
MARCH 31, 2014**

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LONG TERM DISABILITY TRUST

STATEMENT OF ADMINISTRATIVE RESPONSIBILITY FOR FINANCIAL STATEMENTS

The University of Victoria is responsible for the preparation of the financial statements of the Long Term Disability Trust. The statements have been prepared in accordance with Canadian accounting standards for pension plans and present fairly the financial position of the Long Term Disability Trust as at March 31, 2014 and the results of its operations for the year then ended.

In fulfilling its responsibility and recognizing the limits inherent in all systems, the University's Administration has developed and maintains a system of internal controls designed to provide reasonable assurance that the Trust's assets are safeguarded from loss and that the accounting records are a reliable basis for preparation of the financial statements.

The financial statements have been examined by Grant Thornton LLP, the independent auditors appointed by the Trustees. The Independent Auditors' Report outlines the nature of their examination and expresses an opinion on the financial statements of the Trust for the year ended March 31, 2014.



Trustee

May 20, 2014



Trustee

Independent Auditors' Report

Grant Thornton LLP
3rd Floor
888 Fort Street
Victoria, BC
V8W 1H8
T +1 250 383 4191
F +1 250 381 4623
www.GrantThornton.ca

To the board of trustees of the Long Term Disability Trust

We have audited the accompanying financial statements of the Long Term Disability Trust, which comprise the statement of financial position as at March 31, 2014, and the statement of changes in net assets available for benefits, and the statement of changes in benefit obligations for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Long Term Disability Trust as at March 31, 2014, and its financial performance for the year then ended in accordance with Canadian accounting standards for pension plans.

Victoria, Canada

May 20, 2014

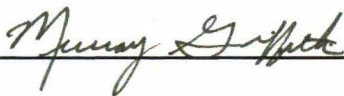
Grant Thornton LLP

Chartered accountants

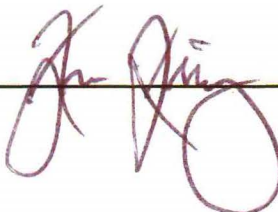
LONG TERM DISABILITY TRUST
STATEMENT OF FINANCIAL POSITION
As at March 31, 2014

	<u>2014</u>	<u>2013</u>
Assets		
Cash and cash equivalents	\$ 199,876	\$ 231,614
Cash held on deposit with benefit carrier	141,000	141,000
Income taxes receivable (note 7)	2,920	5,743
Due from University of Victoria	<u>259,342</u>	<u>227,147</u>
Investments (note 3)	<u>9,702,879</u>	<u>8,592,150</u>
	<u>10,306,017</u>	<u>9,197,654</u>
Liabilities		
Accounts payable and accruals	<u>173,757</u>	<u>172,310</u>
Net assets available for benefits	<u>10,132,260</u>	<u>9,025,344</u>
Accrued benefit obligations (note 4)	<u>14,097,159</u>	<u>13,056,159</u>
Deficit	<u>\$ (3,964,899)</u>	<u>\$ (4,030,815)</u>

On behalf of the board:



 Trustee



 Trustee

See accompanying notes to the financial statements

LONG TERM DISABILITY TRUST
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Year ended March 31, 2014

	<u>2014</u>	<u>2013</u>
Net return on investments		
Interest income	\$ 324,009	\$ 296,830
Realized gains	18,578	116,850
Unrealized losses	(189,253)	(43,953)
	<u>153,334</u>	<u>369,727</u>
Contributions		
Employee contributions	<u>3,040,684</u>	<u>2,751,386</u>
Payments to or on behalf of members		
Benefit carrier claims	<u>1,895,773</u>	<u>1,936,679</u>
Operating expenses		
Actuarial fees	3,825	9,123
Audit expense	7,918	9,374
Benefit carrier administration fees	67,376	76,914
Custodial fees	5,043	5,760
Interest expense	4,381	5,979
Investment management fees	15,417	14,893
Financial administration fees (note 8)	1,000	1,000
Legal fees	130	10,664
Total operating expenses	<u>105,090</u>	<u>133,707</u>
Increase in net assets available for benefits, before taxes	1,193,155	1,050,727
Income taxes (note 7)	<u>86,239</u>	<u>94,811</u>
Increase in net assets available for benefits	1,106,916	955,916
Net assets available for benefits, beginning of year	<u>9,025,344</u>	<u>8,069,428</u>
Net assets available for benefits, end of year	<u>\$ 10,132,260</u>	<u>\$ 9,025,344</u>

See accompanying notes to the financial statements

LONG TERM DISABILITY TRUST
STATEMENT OF CHANGES IN BENEFIT OBLIGATIONS
For the Year ended March 31, 2014

	<u>2014</u>	<u>2013</u>
Beginning balance, accrued benefit obligation	\$ 13,056,159	\$ 12,728,159
Change in actuarial assumptions	(1,518,000)	285,000
Benefit accrued	4,560,000	2,113,000
Benefit paid	<u>(2,001,000)</u>	<u>(2,070,000)</u>
	1,041,000	328,000
Ending balance, accrued benefit obligation	\$ <u>14,097,159</u>	\$ <u>13,056,159</u>

See accompanying notes to the financial statements

**LONG TERM DISABILITY TRUST
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014**

1. Description of Plan

The following is a summary of the Long Term Disability Trust (the Trust).

a) General

The Trust was established in July 2007 to administer a self-funded long term disability plan covering all faculty, administrative and academic professional staff holding regular appointments of 50%, or more, of full time at the University of Victoria.

b) Funding Policy

Members contribute 2.09% of basic salary, which is deducted by the University semi-monthly, and remitted to the Trust. The Trust holds these contributions, and pays the plan benefit carrier for benefit payments made to qualifying employees. The contribution rate is set by the Trustees referencing actuarial valuations, and covers the normal cost of providing benefits, plus an amount required to build a reserve against estimated future liabilities of the plan.

c) Plan Benefits

Long term disability benefits are calculated at 80% of monthly "net earnings", plus the amount required to maintain employee and University Pension Plan contributions. Benefits are indexed to the lower of (1) the annual increase in the Canada CPI index, and (2) the most recent annual across-the-board general salary adjustment.

As this is an employee-pay-all plan benefits paid to qualifying employees are tax-free.

d) Commencement and Duration of Benefits

If approved, LTD benefit payments commence following completion of six months of continuous disability, and following receipt of proof of total disability. Benefits continue until the earliest of the following:

- no longer considered to be totally disabled,
- start work at any occupation for wage or profit except as permitted under the Plan,
- fail to furnish proof of continuous disability,
- no longer under the care of a qualified physician, or fail to follow prescribed medical treatment, or participate in a recommended rehabilitation program,
- death,
- normal retirement date.

e) Investments

The assets of the Trust are invested in a Phillips, Hager and North Bond Fund.

LONG TERM DISABILITY TRUST
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

2. Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian accounting standards for pension plans.

Accounting standards for pension plans apply to all pension plans as well as benefit plans with characteristics similar to pension plans (such as long term disability plans) and require entities to select accounting policies for accounts that do not relate to its investment portfolio or accrued benefit obligations in accordance with either Part I International Financial Reporting Standards (IFRS) or Part II Canadian Accounting Standards for Private Enterprises (ASPE) of the CICA Handbook. The Trust selected to apply Part II for such accounts on a consistent basis and to the extent that these standards do not conflict with the requirements of the accounting standards for pension plans. Under Canadian accounting standards for pension plans the Trust is required to follow IFRS 7 and 13 with respect to Financial Instruments.

a) Financial Instruments

Financial assets and financial liabilities are recognized when the Plan becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

All financial assets and financial liabilities are initially measured at fair value. Fair value is an estimate of the amount of consideration that would be agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act.

Financial assets and financial liabilities are subsequently measured as described below.

b) Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits and short-term highly liquid investments that are readily convertible to known amounts of cash within three months, have been classified as held for trading and recorded at fair value.

c) Investment assets and investment liabilities

All investment assets and investment liabilities are measured at fair value at the date of the statement of financial position in accordance with IFRS 7 Financial Instruments, International Financial Reporting Standards in Part 1 of the CICA Handbook.

Pooled funds are valued at the unit value supplied by the pooled fund administrator and which represent the Plan's proportionate share of underlying net assets at fair value determined using closing bid prices.

Transaction costs are not included in the fair value of investment assets and investment liabilities either on initial recognition or on subsequent re-measurement. Transaction costs are included in the statement of changes in net assets available for benefits as part of expenses incurred in the period.

LONG TERM DISABILITY TRUST
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

2. Significant Accounting Policies (continued)

d) Investment Income

Income from investments is recognized on an accrual basis and includes interest income.

e) Realized and Unrealized Gains and Losses on Investments

Realized gains or losses on sale of investments are the difference between the proceeds received and the average cost of investments sold.

Unrealized gains or losses on investments represent the differences between carrying value at the year end and the carrying value at the previous year end or purchase value during the year, less the reversal of previously recognized unrealized gains and losses in respect of disposals during the year.

f) Contributions

Contributions from the members are recorded on an accrual basis.

g) Net assets available for benefits

Net assets available for benefits are amounts available for the servicing of future claims under the Trust agreement, and terms of the Plan.

h) Estimation Uncertainty

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgments, estimates and assumptions that have the most effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

Fair value of financial instruments: management uses valuation techniques in measuring the fair value of financial instruments, where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Accrued benefit obligation: management estimates the accrued benefit obligation with the assistance of an independent actuary; however, the actual outcome may vary due to estimation uncertainties. The estimate of its accrued benefit obligation is based on assumptions as outlined in Note 4 to these financial statements.

LONG TERM DISABILITY TRUST
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

3. **Investments**

Investments are reported at fair value and are as follows:

	<u>2014</u>		<u>2013</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Phillips Hager and North				
Bond Fund, Series 0	\$ 9,724,102	\$ 9,702,879	\$ 8,424,119	\$ 8,592,150
RBC Institutional Cash	\$ 199,876	\$ 199,876	\$ 231,614	\$ 231,614

4. **Obligations for Plan Benefits**

An actuarial valuation was made as of June 30, 2011 by Mercer Human Resource Consulting, a firm of consulting actuaries. Salary figures used in the actuarial analysis are based on annual salary increases effective July 1, 2011.

The actuarial liability is the actuarial present value of the disability benefits expected to be paid in the future to members who were disabled at the valuation date. This liability is divided into two components: the Disabled Life Reserve (DLR) for individuals in receipt of benefits at the valuation date, and the Incurred But Not Reported (IBNR) reserve for individuals who are disabled but not reported at the valuation date and who have not completed the six month elimination period. The next actuarial valuation is expected to commence as of July 1, 2014. The estimated liability as at March 31, 2014 has been calculated by Mercer using updated data and assumptions consistent with the 2011 actuary report.

The financial position of the Plan as at March 31 is as follows:

	<u>2014</u>	<u>2013</u>
Net Assets	\$ 10,132,260	\$ 9,025,344
Liabilities		
- Disability Life Reserve	12,779,159	11,750,159
- Incurred But Not Reported	1,318,000	1,306,000
	<u>14,097,159</u>	<u>13,056,159</u>
Unfunded Liability	\$ (3,964,899)	\$ (4,030,815)
Funded ratio	72%	69%

**LONG TERM DISABILITY TRUST
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014**

4. Obligations for Plan Benefits (continued)

The assumptions used in determining the actuarial value of accrued disability benefits were developed by reference to expected long-term market conditions. Significant long-term actuarial assumptions used in the valuation were:

	<u>2014</u>	<u>2013</u>
Discount rate	1.7%	1.5%
Cost of living adjustment	2%	2%
Retirement age assumption	65	65

5. Risk Management

The Trust's assets are invested in Phillips, Hager & North's Bond Fund and the RBC Institutional Cash Fund. All assets are recorded at fair value. The main investment risks are interest rate risk, liquidity risk and credit risk.

Interest rate risk

Interest rate risk relates to the possibility that the investments will change in value due to future fluctuations in market interest rates. Duration is an appropriate measure of interest rate risk for fixed income funds as a rise (fall) in interest rates will cause a decrease (increase) in bond prices - the longer the duration, the greater the effect. At March 31, 2014, the modified duration of the bond portfolio was 6.4 years. Therefore, if interest rates were to increase by 1% across all maturities, the value of the bond portfolio would drop by 6.4%, contrarily if interest rates were to decrease by 1% across all maturities, the value of the bond portfolio would increase by 6.4%.

Liquidity risk

Liquidity risk is the risk of being unable to generate sufficient cash or its equivalent in a timely and cost effective manner in order to meet commitments as they come due. The primary liabilities in the Trust are future benefit obligations and operating expenses. Liquidity requirements are managed through income generated by contributions and investing in sufficiently liquid assets and other easily marketable instruments.

Credit risk

The value of fixed income and debt securities depends, in part, on the perceived ability of the issuer that issued the securities to pay the interest and to repay the original investments. Credit risk relates to the possibility that a loss may occur from failure of a fixed income security issuer to meet its debt obligations. At March 31, 2014, the maximum risk exposure for this type of investment is \$9,902,775. This risk is reduced by the investment constraints of the fund which calls for the fund to provide relatively high yields and stability of capital by investing primarily in a well-diversified portfolio of high quality Canadian corporate and government bonds. The credit risk is mitigated in that no one issuer must exceed 10% of the fund except for federal or provincial bonds and a max of 30% of the portfolio will be invested in bonds rated BBB and lower at the time of purchase.

**LONG TERM DISABILITY TRUST
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014**

5. Risk Management (continued)

The credit risk is also mitigated by the credit rating and issuer analysis. Table 1 below shows the percentage of fixed income holdings in the portfolio by credit rating as of March 31, 2014 and compared to March 31, 2013. Table 2 below shows the percentage of fixed income holdings by type of issuer as of March 31, 2014 and compared to March 31, 2013.

Table 1		2014	2013
	<u>Ratings Summary</u>	<u>%</u>	<u>%</u>
	AAA	11.8	9.9
	AA	41.8	38.4
	A	18.5	22
	BBB	12.8	9.4
	BB	0	0
	CMHC mortgages	0.6	0.7
	Conventional mortgages	0.0	0.0

Table 2		2014	2013
	<u>Issuer Analysis</u>	<u>%</u>	<u>%</u>
	Federal bonds	9.2	8.2
	Provincial bonds	34	32
	Corporate bonds	41.0	39.5
	Mortgages	0.6	0.7
	Cash and short term	14.6	19.6

Financial instruments measured at fair value are classified according to a fair value hierarchy that reflects the importance of the inputs used in making the measurements. The fair value hierarchy is made up of the following levels:

- Level 1 - valuation is based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques 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); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable data on the market each time such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The Trust's portfolio consists of bonds and mortgages and are pooled into a combined mutual fund. The lowest level of the hierarchy for the portfolio is a level 2.

6. Capital Disclosures

The purpose of the Trust is to provide benefits to members on long term disability. The Trust's objectives when managing its capital are to protect the value of the funds against inflation and provide stability in benefit distributions. With the assistance of an investment consultant, the Trust's Board of Directors regularly monitors the Trust's investments to ensure that immediate and long-term obligations can be met within an acceptable level of risk.

**LONG TERM DISABILITY TRUST
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014**

7. Income Tax

Income taxes are paid on a calendar basis and are based on the difference between income earned on investment funds less plan expenses exclusive of employee contributions and benefit carrier claims.

The Trust pays quarterly tax instalments and at March 31, 2014 had a receivable balance of \$2,920 for the difference between the amount paid and the estimated tax owing.

8. Related Party Transaction

The Trust receives accounting and administrative services from the University of Victoria and was charged a fee of \$1,000 for the year.



University
of Victoria

SUBMISSION TO THE UVIC BOARD OF GOVERNORS

FOR INFORMATION

To: OPERATIONS AND FACILITIES COMMITTEE

From: VICE-PRESIDENT FINANCE AND OPERATIONS

A handwritten signature in dark ink, appearing to read "G. Smith".

cc: President and Vice-Chancellor

Meeting Date: September 30, 2014

Subject: Facilities Condition: Associated Risks

Basis for Jurisdiction: Committee's Terms of Reference

Background

In March 2014, a presentation on deferred maintenance and capital renewal was made to the Operations and Facilities Committee of the Board. Included in the presentation were the following definitions of terms:

Deferred Maintenance (DM): Deferred maintenance is defined as the upkeep of buildings and equipment postponed from an entity's normal operating budget cycle due to a lack of funds.

Capital Renewal (CR): Capital renewal is the cyclic repair and replacement requirements that extend the life of facilities and systems.

Facilities Condition Index (FCI): A Facilities Condition Index is an industry-standard index that measures the relative condition of a facility by considering the costs of deferred maintenance, capital renewal as well as the value of the facility. $FCI = \text{Cost of (Deferred Maintenance + Capital Renewal)} / \text{Current Replacement Value}$. The generally accepted interpretation of FCI related rankings are:

- | | |
|---------------------------|----------|
| • 0 to 5 percent | Good |
| • 5 to 10 percent | Fair |
| • 10 to 30 percent | Poor |
| • Greater than 30 percent | Critical |

The UVic FCI ranking was presented as 32 percent and the value of accumulated deferred maintenance and capital renewal requirements (excluding residences) was estimated at \$361M. The presentation showed how UVic compares to other universities and described how UVic plans to manage its deferred maintenance and capital renewal going forward. It also included sample reports available from the Facilities Condition Database showing the status of accumulated deferred maintenance and capital renewal at UVic. The graph and table showing the requirements and renewal costs by category is attached for your reference.

Purpose of Presentation

At the Board of Governors meeting in June, there was a request for additional information on the future risks arising from deferred maintenance of university facilities. This presentation, titled Facilities Condition: Associated Risks will provide an overview of facilities assessments made over the past years, the funding obtained as a result of having made these assessments and how we have used, and continue to use, the knowledge gained to prioritize our work and projects.

An updated condition assessment of our facilities, together with a risk analysis based on our Enterprise Risk Management System, will be presented. The focus will be on the categories in which deficiencies can produce an element of risk; Beyond Useful Life, Life Safety and Building Code.

We will discuss past funding and the contributions made towards addressing deferred maintenance. We will identify past and current projects that contribute to minimizing our risks.

Finally we will discuss how we will continue to manage deferred maintenance and capital renewal including an overview of the restructuring of the Capital Development unit within Facilities Management that will position UVic to make full use of the data available to prioritize projects and accordingly improve its chances for receiving external funding by having shovel-ready projects.

Next Steps

A report on facilities condition including risk and risk mitigation, will be provided to the Board of Governors in January of each year commencing in January 2016. The facilities condition assessment will be considered in the development of the annual update of the 5 Year Capital Plan that is presented to the Board of Governors for approval in June of each year.

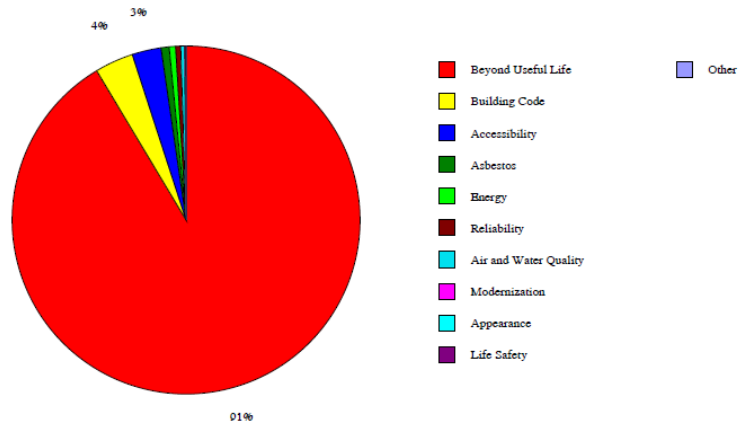
Attachment:

Requirements and Renewal Costs by Category (as presented in March 2014)

Requirements and Renewal Costs by Category (As presented in March 2014)


Executive Portfolio Summary

By Post Secondary Institution

 Distribution of Requirement and Renewal Costs
By Category


Category	Estimated Cost	Percentage of Total Cost
Beyond Useful Life	358,209	91%
Building Code	14,061	4%
Accessibility	10,584	3%
Asbestos	2,934	1%
Energy	2,332	1%
Reliability	1,825	0%
Air and Water Quality	1,432	0%
Modernization	260	0%
Appearance	121	0%
Life Safety	49	0%



SUBMISSION TO THE UVIC BOARD OF GOVERNORS

FOR INFORMATION

September 30, 2014

To: Operations and Facilities Committee

From: Valerie Kuehne Acting, Vice President Academic
and Provost



cc: President and Vice-Chancellor

Meeting Date: September 30, 2014

Subject: Academic Staffing, Recruitment, and Vacancies Report

Basis for Jurisdiction: University Act, Section 27(g)
Framework Agreement

Background: The appointment of regular faculty members and academic administrators is a power of the Board under the University Act. Appointments are governed by a number of Board policies and are delegated to the university executive under Section 11 of the Board Procedures.

Academic appointments and reappointments are governed by the *Framework Agreement*. These are approved by the Vice-President Academic and Provost under the Board delegations procedures, with the expectation that the Operations and Facilities Committee will receive annual reports on staffing that give an overview of all appointments of regular faculty and senior administrators.

The allocation of faculty FTEs and annual recruiting is overseen by the Office of the Provost within a planning framework which integrates faculty academic planning, university enrolment planning, faculty staffing, and budget plans.

Summary: This report provides information about academic staffing and recruitment since the last report was presented in September 2013. *Section 1* illustrates that 34 faculty positions were filled in 2013/14 and that UVic is actively recruiting for 18 additional vacancies. *Section 2* highlights that a total of 11 faculty and librarians resigned for various reasons while 19 retired.

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1. Faculty Budgeted FTEs and New Hire Headcounts

Faculty and Librarian Budgeted FTEs (as of July 2014)

There were a total of 824 faculty and librarian FTE positions that were filled as of July 2014, representing a decrease of 8 FTE from last year. The number of FTEs illustrated in the table below originates in the university's Budget Office and does not include vacant (which appear below) or limited term positions. Librarians were reported to the Board for the first time in 2011/12.

Faculty rank	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14
Full Professor	281	276	264	274	276	276	268	288	276	267.8
Associate Professor	216	210	214	224	236	252	250	286	310	300.2
Assistant Professor	173	201	213	217	199	190	202	157	130	136.4
Lecturer	8	5	7	8	11	6	9	2	5	4.0
Assistant Teaching Professor (Senior Instructor before 12/13)	51	54	58	61	64	67	71	69	71	74.0
Artist-in-Residence	4	4	4	4	4	4	4	4	4	4.0
Academic Administrator (Assistant Professor)							3	3	3	4.0
Academic Administrator (Associate Professor)							3	1	1	1.0
Academic Administrator (Professor)							2	2	2	2.0
Teaching Professor							1	1	0	1.0
Librarians								30	30	29.5
TOTAL	733	750	760	788	790	795	813	843	832	823.9

Vacancies (as of July 2014)

Faculty and Librarian vacancies are not necessarily available for recruitment—some are used to bridge positions for Research Chairs including CRCs, returns from excluded administrative positions, and other commitments by the institution. While there were 58.6 vacant FTEs in July 2014, taking into account the existing and future commitments, the true number of vacancies available was 28.4 FTE.

New Faculty and Librarian Headcounts by Rank (as of July 2014)

There were a total of 34 new regular faculty and librarians hired in 2013/14. The appointments below do not include Limited Term appointments, but do include waived appointments, whereby the recruitment process does not require posting the position.

Please note that the preceding table detailed the number of faculty and librarian full-time equivalents (FTE) at UVic while the following tables provide headcounts. Therefore, the totals cannot be compared.

Faculty Rank	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14
Full Professor	6	3	5	3	6	2	2	2	1	4
Associate Professor	4	5	6	2	4	3	5	2	1	0
Assistant Professor	38	35	36	35	20	17	17	17	2	18
Lecturer	4	4	6	3	3	3	3	2	3	1
Assistant Teaching Professor (were Senior Instructors before 12/13)	7	5	8	6	5	7	5	2	6	6
Academic Administrator (Assistant Teaching Professor)										1
Academic Administrator (Assistant Professor)										
Academic Administrator (Associate Professor)						1				
Academic Administrator (Professor)						1				
Teaching Professor										1
Librarian								1		3
Total	59	52	61	49	38	34	32	26	13	34

Faculty and Librarian Hires by Gender (as of July 2014)

Gender	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14
Male	31	25	34	27	17	21	18	12	7	16
Female	28	27	27	22	21	13	14	14	6	18
Total	59	52	61	49	38	34	32	26	13	34

Number of Recruitments Currently Underway for 2014/15

At the time this report was written at the end of July 2014, there were 18 active recruitments in progress.

2. Headcount of Faculty and Librarians who left the university

2013/14 Faculty and Librarian Resignations and Terminations

Between the period July 1, 2013 and June 30, 2014, a total of eleven regular faculty and librarians resigned from the university—seven of those were Assistant Professors, three were Associate Professors, and one was a Professor. Reasons for faculty resignations are tracked annually, and some of the reasons cited were unsuccessful attempts at gaining tenure, salary, and various personal reasons. In some of these cases, retention offers were made unsuccessfully.

Rank	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14
Resignations										
Full Professor					1	3	3	2		1
Associate Professor					1	1	1	6	2	3
Assistant Professor					6	4	7	5	1	7
Assistant Teaching Professor (Senior Instructor before 12/13)								1	3	
Lecturer								1		
Academic Administrator (Assistant Professor)										
Academic Administrator (Associate Professor)										
Academic Administrator (Professor)										
Teaching Professor										
Librarian						1	1	1	1	
Total Resignations	9	14	6	11	8	9	12	16	7	11
Termination/deceased	1	0		1	2	2	1	2		
Total	10	14	6	12	10	11	13	18	7	11

2013/14 Faculty and Librarian Retirements

Between the period July 1, 2013 and June 30, 2014, a total of 19 faculty members retired (including one librarian)—most of whom were 65 years or older. Seven faculty members (but no librarians) reduced their FTE during the 2013/14 academic year towards an anticipated retirement.

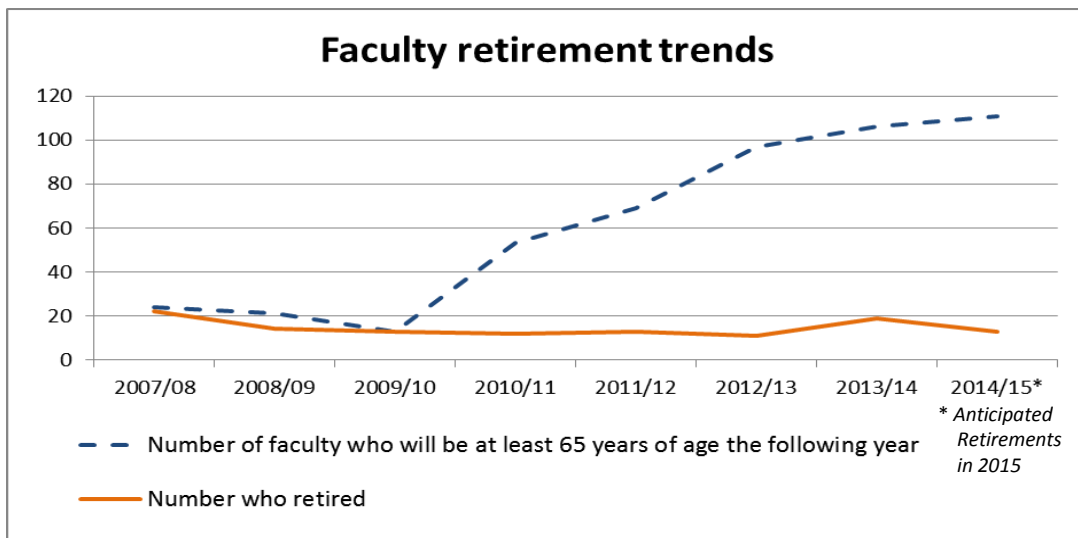
Type of retirement	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14
Retirement at age 65 or later	25	29	8	15	11	8	10	11	8	14
Retirement before age 65	4	4	3	7	3	4	2	2	3	5
Reduced FTE towards anticipated retirement				2	3	1	5	5	6	7
Total number retired	29	33	11	22	14	13	12	13	11	19

Note: Mandatory retirement was eliminated in 2006/07.

Anticipated Retirements in 2014/15

It is anticipated that there will be approximately 111 faculty members 65 years or older by June 2015. There is an annual “Faculty Recruitment and Retention Survey” sent to deans which asks if they knew of any retirements planned for next year. At the time this report was written, it was estimated that 13 faculty members had plans to retire in 2015, while 98 had not communicated any plans to do so.

The following graph shows the impact of non-mandatory retirement on the numbers of UVic faculty who are 65 years or older —there will be over 100 in that age group in 2015.



While 92 percent of faculty who were at least 65 years old retired in 2007/08, only 18 percent retired in 2013/14. It is anticipated that at least 12 percent will retire in 2014/15, according to data obtained from the latest Recruitment Survey.



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SUBMISSION TO THE UVIC BOARD OF GOVERNORS

FOR INFORMATION

To: OPERATIONS AND FACILITIES COMMITTEE

From: VICE-PRESIDENT FINANCE AND OPERATIONS

cc: President and Vice-Chancellor

Meeting Date: September 30, 2014

Subject: CAMPUS PLAN UPDATE

Basis for Jurisdiction: Committee's Terms of Reference

Background

The current Campus Plan was approved by the Board of Governors in May 2003. The Plan establishes policies and action items to guide the physical development of the campus in accordance with the university's strategic priorities and its research and teaching needs. Over the past eleven years, six new buildings and a variety of other campus developments have been put in place.

The Plan's guiding principles, vision and direction have been implemented in conjunction with the university's Strategic Plans. The 2012 Strategic Plan referenced the Objective: *To update, renew and implement our Campus Plan, driven by academic priorities and informed by community input and our commitment to sustainability, with the goal of building an engaged campus, vibrant seven days a week.*

The Plan Update will identify and reflect any changes identified from the university's current strategic and institutional plans and present a revised future vision for the physical development of the campus.

Information is outlined below on key components of the Campus Plan Update process.

1. Objectives for the Campus Plan Renewal

The Plan Update is intended to be comprehensive in form, with plans and recommendations in order to achieve the following, high-level objectives:

- The Plan will serve to support the University's Academic Mission. The February 2012 Strategic Plan sets out a vision, mission and goals for the university and includes future directions related to excellence, growth and size, community, faculty and staff renewal and development, the engaged campus, systems and processes, internationalization, student success, research and graduate education.
- The Plan will respect and build on the history, legacy, vision and principles that have shaped campus development over the last fifty years.
- The Plan will serve the diverse academic, research and social needs and interests of the campus community.
- The Plan will serve as a framework for future decisions regarding the long range physical development of the Gordon Head campus. It will also reference the Queenswood parcel on Arbutus Road within Cadboro Bay, which was acquired in 2010 for the long term support of UVic's academic mission.
- The Plan will provide for flexibility in responding to changing campus needs.
- The Plan will accommodate future campus growth and address specific key issues arising from the current Plan that relate to the physical development of the campus.
- The Plan Update process will provide for full engagement with the campus and external community, along with key stakeholders and organizations with an interest and role in the physical development of the campus.

2. Project Oversight and Timelines

The Campus Planning Committee (CPC) provides recommendations to the President on matters related to the long-range plan for the physical development of the campus, amendments to the approved campus plan and the university's proposed multi-year capital plans, general matters impacting campus planning and sustainability, and other issues as requested by the President. It is co-chaired by the Provost and VP Academic, and the VP Finance & Operations and is comprised of faculty representatives of Senate, undergraduate students, graduate students, employee groups and Deans, and all of the Vice-Presidents. CPC has primary responsibility for the oversight of the process and ultimately recommends approval to the President, who in turn recommends approval by the Board of Governors. CPC has selected a Steering Committee from its membership to provide direct oversight.

The timeline for the various steps in the Plan Update process extends through to a targeted project completion date of January 2016. Key steps, subject to further review and confirmation, are set out below.

- i. Steering Committee selects consultant (Sept.)
- ii. Project update and finalization of detailed project scope to the Campus Planning Committee (Oct.)
- iii. Project Initiation with the preparation of background supporting documents and the confirmation of the activities and schedule for the 2015 engagement part of the Plan Update (Oct. - Dec.)
- iv. Plan Update launch and related communications and engagement activities (Jan. – Apr. 2015)
- v. Draft Plan completion (May - August)
- vi. Review and feedback on the Draft Plan (Sept. – Oct.)
- vii. Recommendations for the Final Plan (Nov. – Dec.)
- viii. Final Campus Plan approval (January 2016)

3. Engagement Processes

A key component of the Plan Update process will involve engagement with the campus and external community. Input from members of the university community, neighbours and wider community interests will play an important part in the preparation of the Plan. The current Plan was built on sound campus planning principles and the comments, ideas and suggestions provided through a range of forums, open houses, workshops and other consultation opportunities.

The university's engagement processes are guided by the Community Engagement Framework and the Campus Planning Consultation Process. Engagement phases include: Plans for various Open House meetings, stakeholder workshops and other engagement measures and techniques as appropriate will be undertaken to ensure that full engagement occurs at the key milestones in the Plan Update process.

The success and future applicability of the Plan Update is dependent upon the contributions provided as part of the engagement processes and the support and involvement of community members.

Next Steps

The Campus Plan serves several purposes related to campus land use and development. It helps to implement the university's mission, outlines a framework for decision making and provides a statement of the university's intentions for campus planning, land use and development. The design of the Plan Update process has taken multiple factors, issues and interests into consideration to help ensure that upon completion, it fulfills its role as the key guiding document for future campus development. Updates on the campus plan renewal process will be provided to the Board of Governors on a regular basis—expected to be at least once in Spring 2015 and Fall 2015 with final presentation for approval planned for January 2016.



University
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SUBMISSION TO THE UVIC BOARD OF GOVERNORS

FOR INFORMATION

17 September 2014

To: Operations and Facilities Committee

From: David Castle, Vice-President Research

A handwritten signature in black ink, appearing to read 'D. Castle'.

cc: President and Vice-Chancellor

Meeting Date: 29 September 2014

Subject: Update on the Strategic Research Planning Process

Basis for Jurisdiction: University Act, s. 27 (1)
University of Victoria Strategic Plan 2012, Objectives 21, 22 and 23

Previous Consultation:

Executive Council, 12 August 2014

Executive Council Retreat, 11 September 2014

Summary:

The purpose of this memo is to provide the Board of Governors (BOG) with a brief background on the strategic research planning process to date, and information about the new plan for developing the Strategic Research Plan (SRP) during 2014-15.

Background:

The research mission of the University of Victoria is to benefit society through the advancement and application of knowledge, creative and artistic expression, and the creation of a research-inspired learning environment.

UVic has established its position as a leading research university in Canada by building upon our areas of established and emerging strength, by securing the support needed to sustain our research growth, and by promoting the mobilization and application of knowledge for societal benefit. The high quality of the faculty hired during the past decade and a half of demographically-driven renewal and growth, combined with the expansion of funding opportunities in Canada, have had a profound effect on our research success. UVic's research success has been supported by strategic investments in people, support programs, and infrastructure. These choices have been guided by both the university's strategic plan (A Vision for the Future: Building on Excellence), as well as through implementation of our CFI/CRC Strategic Plan. The UVic strategic plan includes three high-level research-focussed objectives, which will guide our investments and management decisions for the next five-year period.

In 2012 a working group was established to assist with Phase 1 of the planning process which was focused on environment assessment and benchmarking in preparation for establishing thematic areas of research. During Phase 1, the strategic plans of other Canadian institutions were collected as reference, methods of collecting and measuring research data were discussed, and a questionnaire for Deans was developed but not circulated. The planning process was stopped in March 2013 to await the appointments of the new President and Vice-President Research (VPR). A new process is being proposed to replace the process commenced in 2012.

Purpose of the Strategic Research Plan:

The Strategic Research Plan (SRP) furthers the university's academic mission by providing a five year strategy for research and its relationship to educational programs. More specifically the SRP provides an opportunity to review the research mission statement, and to develop an associated five-year plan for UVic research, knowledge mobilization, and ensuring social impact. The high level objectives of the SRP are to:

1. Assess the research environment internally and externally, including research support services, and develop plans for enhancing both the environment and support for all researchers across campus;
2. Benchmark UVic research, and research strategy, against top comparator universities both nationally and internationally; and
3. Develop strategies for strategic investments and the deployment of infrastructure to pursue research opportunities, which are consistent with the evolution of our CFI/CRC strategies.

Research plans can be used to identify and assess competencies and capacities, an important first step in preparing an adaptive framework for taking advantage of future, and hence to a large extent unknown, prospects. This means understanding how existing and emerging research strengths, research centres, Office of Research Services, Research Partnerships and Knowledge Mobilization unit, partnerships, interdisciplinarity, research-inspired teaching and community-engaged research can be channeled toward research opportunities. The need to combine stock-taking and strategic planning is motivated by internal drivers of change, such as the rapid growth of UVic's research portfolio in the last decade or increased interdisciplinarity, and external drivers, such as changing funding dynamics, social needs for research, or student demographics and needs. Grappling with these drivers of change will help UVic to plan for the future while remaining focused on excellent and socially relevant research.

Scope:

The University of Victoria's Strategic Plan contains three high-level research objectives:

Objective 21: *To nurture our culture of excellence in research, scholarship and creative endeavours, enhancing UVic's local, national and international impact and reputation as a leading,*

innovative, research-intensive university.

Objective 22: *To promote greater alignment of our research, educational and support programs, so that we can optimize the benefits derived from our investments in people, systems, infrastructure and programs across the university.*

Objective 23: *To enhance the societal benefit derived through mobilization of research knowledge and creative endeavours from across the disciplines.*

The SRP will further articulate these objectives for the university community, our partners, and the public more generally. In this respect, the over-arching UVic Strategic Plan delineates the scope of the SRP, and the intent is to achieve consilience in the substance of the two plans to the extent possible, recognizing that through the research and consultation phases of the proposed process, the SRP may not align perfectly with all existing Strategic Plan objectives and strategies.

The SRP process will open discussions that will have longer term implications for the university's Strategic Plan because it will delve deeply into many facets of research, and will be a more contemporary exploration of UVic research, knowledge mobilization and social impact. Consequently, although the SRP is intended to be a five year plan, the complementarity between it and the university's Strategic Plan will be explored when the latter is renewed in 2016. Options for thoroughly synchronizing the renewal of the two plans could be explored.

The scope of the plan will include an internal and external review of research support services at UVic (including services offered by the Office of Research Services and other research-related services across campus).

Stakeholders and audiences:

A list of internal and external stakeholders is being developed to guide the consultation process and the preliminary list is attached to this memo. Different methods for the consultation are being explored, including an on-line survey to ask key questions about supports to research; consultation with specific groups such as Deans' Council; Research Advisory Committee; Council of Centre Directors; Senate; town hall style meetings for faculty at large; individual and small group interviews, particularly for off-campus stakeholders; and a web-portal for an open-invitation for written feedback.

The research plans of other universities tend to be written with an orientation toward external audiences. This approach prevails, although it is unclear whether research plans are referred to by external audiences to any major extent, or in ways intended by the universities. While a major deviation from the predominant style is not being actively pursued, the principle audience envisioned for UVic's SRP is our on-campus community, our research partners, and regional, national and international stakeholders. The SRP will develop a narrative about UVic research that will be useful for internal and external communications by identifying strategic options and unique modes of doing research that uniquely prepare UVic to take advantage of research opportunities.

Strategic Research Plan Advisory Committee:

An advisory committee is being established to provide advice to the VPR regarding the development and implementation of the entire SRP process, including the design and timing of the consultation process, communication activities, input on the analysis of desk-based research and consultation feedback, and guidance on the plan's organization and content. The primary role of the advisory committee is consultative and its membership broadly reflects the key facets of research at UVic, rather than providing representation for on-campus and external partners' interests in the SRP. One of the committee's main tasks is to provide the VPR with advice on identification of, and best approach to consulting with, the widest possible diversity of groups. The draft terms of reference and proposed membership of the committee are attached to this memo for information.

Proposed timeline:

The proposed timeline below designates that November 2014 to June 2015 will be primarily consultative with the main output being the framework of the plan. The OVPR and SRP advisory committee will use the summer of 2015 to prepare a full developed version of the plan, with the goal of presenting a final draft of the plan to Senate and the Board of Governors in the fall of 2015.

September - October	<ul style="list-style-type: none"> • Re-launch of strategic research planning process including new website • Preparation of a background/discussion document for use during consultation process • Update BOG and Senate on the planning process
November - February	<ul style="list-style-type: none"> • Consultation process (including town hall meetings and meetings with all internal and external stakeholder groups) • Environmental scan – internal and external review of research-related services at UVic
March	<ul style="list-style-type: none"> • Share report on outcomes of consultation process with UVic community
April	<ul style="list-style-type: none"> • Develop strategic research plan framework document and consult with a narrow group of key stakeholders
July-September	<ul style="list-style-type: none"> • Prepare draft content of the strategic research plan • Review draft
October	<ul style="list-style-type: none"> • Present final draft plan to Senate
November	<ul style="list-style-type: none"> • Present final plan to BOG

Resources:

The OVPR will budget time for Vice-President Research, Manager of the OVPR, and administrative support. Given the significance and complexity of undertaking a strategic planning process, central funding has been provided for a project officer to support the research, consultation, and writing phases of the SRP.

Role of the Senate and the Board of Governors:

The University Strategic Plan's objectives for research (previously approved by Senate and the Board of Governors) are being articulated through the SRP process. Although the SRP does not require approval by Senate or the Board of Governors, systematic engagement of Senate and the Board of Governors in the SRP process will be sought and will add valuable substance to the process of the SRP. The Board of Governors and Senate will be consulted throughout the process and will receive the final version of the report for information in the fall of 2015. Further information about how BOG and Senate will be consulted will be provided once the advisory committee has finalized the consultation process.

Planned Further Action:

- Consult with the Board of Governors at appropriate times through the planning process.
- Bring final version of plan to the Board of Governors for information in the fall of 2015.

Attachments:

- Proposed terms of reference and membership of the strategic research plan advisory committee
- Preliminary list of strategic research plan consultation groups

STRATEGIC RESEARCH PLAN ADVISORY COMMITTEE**Draft Terms of Reference:**

1. Endorsing the scope of the SRP, taking into account its relationship with the university's Strategic Plan, and proposed timeline for undertaking the research, consultation, and writing of the SRP;
2. Providing advice on the consultation process with respect to the on- and off-campus groups and individuals to be consulted, and the appropriate method by which different groups should be consulted;
3. Attending and participating in consultation sessions, conditional on availability;
4. Ensuring that the SRP engages with the most important research challenges and opportunities for UVic;
5. Identifying contextual factors, such as patterns of external research funding, that need to be considered in the UVic SRP;
6. Assisting with the written development of the SRP by commenting on drafts of the plan; and
7. Advising on the most appropriate roll-out strategy for the SRP once completed.

Proposed membership:

Name	Title/unit
David Castle (Chair)	Vice-President Research
Paul Bramadat	Director, Centre for the Study of Religions and Society (1 Centre Director appointed by the VPR)
Jeremy Webber	Dean, Faculty of Law (1 Dean, selected by the Deans)
Sara Ellison (Science) Victor Ramraj (Law) Hausi Müller (Engineering) Leslie Brown (HSD) Helen Raptis (Education)	5 faculty members, appointed by the President on the recommendation of the Vice-President Research, jointly able to address 5 themes: 1) research excellence; 2) research and professional programs and practice; 3) community engaged research; 4) entrepreneurship and partnerships; and 5) international research.
TBD	1 graduate student
Katy Mateer	Associate Vice-President Academic Planning (upon her return to work)
Sarah Blackstone	Chair, Enhanced Planning Working Group, Acting AVP Academic Planning
Kristi Simpson	Associate Vice-President Financial Planning
Carmen Charette	Vice-President External Relations
Brent Sternig	Director, Research Partnerships and Knowledge Mobilization unit
TBD	1 External representative
Resources	
Sally Eshuys	Manager, Office of the Vice-President Research
TBD	Project Officer
Marleen Willems	Administrative Assistant

UVIC STRATEGIC RESEARCH PLAN 2014/15
Preliminary List of Consultation Groups

On campus

BOG
Senate
Executive
PAC
Deans
Associate Deans Research (RAC)
Research Centre Directors (COCD)
Research Entity Presidents (ONC, PCIC)
Chairs
Faculties
Faculty
UVSS
Undergraduate students
GSS
Graduate students
Research and other related staff
Management Forum

Off campus

VITP
VIATeC
MITACS
Greater Victoria Chamber of Commerce
BC Innovation Council
Island Health
Elected Provincial Government representatives
Elected Federal Government representatives
Elected Municipal Government representatives
RUCBC management
United Way
Victoria Foundation
Research Entity Boards (ONC, PCIC)
Alumni Board of Directors
Alumni
First Nation Leaders
Media (e.g. Dave Obee)
Research Infrastructure (e.g. Research Computing)
Funders (e.g. CFI, WD, BCKDF, Tri-Council)
Other BC universities
Corporate partners
UVic Community Association Liaison Committee



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SUBMISSION TO THE UVIC BOARD OF GOVERNORS

FOR INFORMATION

September 10, 2014

To: Finance Committee

From: Valerie Kuehne
Acting Vice-President Academic and Provost

From: Gayle Gorrill
Vice-President Finance and Operations

cc: President and Vice-Chancellor

Meeting Date: September 30, 2014

Subject: **2014/15 Budget Expenditure Allocation Report**

Basis for Jurisdiction: 6.2 Committee's Terms of Reference

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Background: The attached report has been prepared to provide the Board of Governors more detailed information on the implementation of the 2014/15 budget framework. As well, this document is used as an accountability document to the Ministry of Advanced Education. This document reflects the budget framework, which was approved by the Board of Governors on April 01, 2014.

The report outlines the operating expenditure allocations and reductions as outlined in the 2014/15 budget framework. The report also provides preliminary comments on the 2015/15 to 2017/18 planning cycle. Appendix 1 provides information on the total operating expenditure budget presented by functional area and Appendix 2 of this report gives details of the operating expenditure allocations and reductions as distributed to Faculties/Departments.



2014/15 Budget Expenditure Allocation Report

2014/15 BUDGET EXPENDITURE ALLOCATION REPORT

OVERVIEW

At its April 01, 2014 meeting, the UVic Board of Governors approved the 2014/15 Planning and Budget framework. The preliminary base operating expenditure budget is \$326.5M and is outlined in appendix 1. As summarized in the 2014/15 budget framework, total expenditures were projected to increase by \$9.66M. This increase in expenditures is comprised of the following:

- Part of these expenditures, or \$2.12M, are non-discretionary resulting from either known or assumed costs related to collective agreements or bargaining.
- An investment of \$2.71M was allocated to support international student and targeted enrolment growth. The additional students are projected to provide \$5.49M in additional tuition revenue leaving net incremental revenue of \$2.78M available to offset other cost pressures.
- Increase in Island Medical Program of \$3.19M directly offset by funding from the University of BC specifically for the Island Medical Program.
- A net investment of \$0.76M was required to address the Centre for Athletics, Recreation, and Special Abilities building operating costs (utilities, janitorial, maintenance etc) after accounting for savings from the discontinuation of operations in the Ian Stewart Complex.
- Increase in expenditures of \$0.73M is required to cover on-going costs resulting from the access copyright fees, legal fees, hazardous waste disposal, and sign language interpreters; and
- Additional resources are provided to support research system licensing (\$0.15M).

The total expenditures increase of \$9.66M was mostly funded by \$8.67M in incremental revenue that resulted mainly from international tuition revenue. Tuition revenue increased by \$7.55M as a result of a 2% fee increase, international growth and enrolment growth as noted above. The remaining increase in revenue of \$3.10 was for the Island Medical Program which is targeted government funding. These increases were offset by a cut in the provincial government grant of \$1.91M and a reduction in the federal indirect grant of \$0.16M.

The balance of the expenditure increase (\$9.66M - \$8.67 M = \$0.99M) was funded through prior year across the board budget reductions.

Per the Ministry grant letter, funded enrolments for 2014/15 remained at 16,528, the same as 2013/14.

2015-16 to 2017-18 Planning Cycle

As outlined in the 2014-15 Planning and Budget Framework document, budget shortfalls of \$1.8M and \$0.50M were projected for 2015-16 and 2016-17 respectively. To fully offset these shortfalls and potentially provide for some targeted incremental budget allocations across the board reductions over two years would be between 1.5% to 2%. These projections will be updated over the fall as the 2015-16 to 2017-18 model is developed; however, in order to begin developing resource plans for 2015-16, it is beneficial for departments to have information on the overall university budget approach (i.e., whether across the board reductions be required).

Enrolment information for 2014-15 is positive and will result in tuition revenue significantly exceeding budgeted amounts as international enrolment continues to surpass expected growth. Given this additional tuition revenue and given that shortfalls are projected to be modest for both

2015-16 and 2016-17, unless there are significant changes in key assumptions, the current recommendation by management is that departments will not be asked to make across the board budget reductions for 2015-16. Resource planning and budget will continue however with Vice Presidents' and department leaders continuing to make resource allocations decisions in support of our strategic mission and / or in order to improve our processes.

Updated budget projections for the planning cycle 2015-16 to 2017-18 will be provided to the Board in November in order to confirm this approach. The final budget framework will be presented to the Board of Governors at their meeting in March 2015.

Attachment(s): The attached document, appendix 1, provides summary information of the total operating expenditure budget presented by functional area:

Further details of the operating expenditure allocations distributed to specific Faculties/ Departments are provided in the attached appendix 2.

University of Victoria
2014-15 Budget Statements
Operating Expenditure Budget - by Function

Document No. BOG-Sep 30/14
Appendix 1

	2014-15 Continuing Reg FTE	Salaries & Benefits (000's)	Supplies & Other Expenses (000's)	2014-15 Preliminary Base Budget (000's)
Academic				
Business	81.98	7,980	682	8,662
Education	99.46	10,382	443	10,825
Engineering	120.91	13,028	670	13,697
Fine Arts	95.54	9,500	511	10,011
Human & Social Development	153.74	15,178	1,083	16,262
Humanities	171.20	17,970	342	18,312
Law	42.92	4,019	446	4,465
Science	202.07	20,440	806	21,246
Social Sciences	182.86	18,889	450	19,339
Medical Sciences	43.11	2,792	2,254	5,046
Cooperative Education	59.84	3,794	477	4,271
Graduate Studies	9.00	678	144	822
Total Academic	1,262.63	124,651	8,308	132,958
Other Academic				
Continuing Studies	73.39	9,285	8,290	17,575
Other Academic Projects	177.08	12,834	7,199	20,033
Total Other Academic	250.47	22,119	15,489	37,608
Library				
Library Acquisitions	-	-	7,755	7,755
Library Operations	128.38	7,669	644	8,312
Total Library	128.38	7,669	8,399	16,068
Student Awards & Services				
Student Awards	12.00	607	15,654	16,261
Student Services	96.24	7,971	3,189	11,161
Total Student Awards & Services	108.24	8,578	18,844	27,422
Plant Maintenance				
Utilities	-	-	6,391	6,391
Other	268.34	14,489	4,312	18,801
Total Plant Maintenance	268.34	14,489	10,703	25,192
Administrative and General				
Executive Offices	36.57	4,286	427	4,713
Alumni and Development	34.90	2,507	396	2,903
Administrative Registrar	98.57	5,345	1,277	6,621
Budget and Capital Planning	13.50	1,078	90	1,168
Financial Services	67.35	3,819	121	3,939
Human Resources	32.80	2,714	435	3,149
Chief Information Officer	38.40	2,893	495	3,388
Other Expenses	66.94	4,589	1,293	5,881
Total Administrative and General	389.03	27,231	4,532	31,763
Compensation, Benefits & Central Budgets		50,730	4,721	55,451
Total Base Expenditure Budget	2,407.09	255,467	70,995	326,462

2014/15 Base Budget Expenditure Allocations

Student Financial Assistance	Budget Allocation	Accountability/Purpose
Student financial aid neuroscience	\$18,000	Financial assistance for graduate students in neuroscience
Student awards	\$75,672	Financial assistance for grad and u/g students from differentials
Total	\$93,672	

Student Support and Interdisciplinary Services	Budget Allocation	Accountability/Purpose
Academic advising centre	\$187,500	To support the tri-faculty academic advising centre
International students	\$185,000	To support the international students by hiring 2.0 fte positions and an additional \$25,000 for the infrastructure
Indigenous student support	\$84,421	Funding for 1.0 fte coordinator of indigenous support and 0.4 fte coordinator elders voice
Banner system support	\$21,392	Banner relationship management licensing fee
Learning and teaching centre	\$30,000	Funding for director support
Sign language funding	\$70,000	Sign language program support
Athletics and recreation	\$48,300	Increase in athletics and recreation fees
Office of the registrar	\$21,160	Increase in registration
Access copyright	\$380,000	Funding for access copyright license fees
Total	\$1,027,773	

Academic programs by Faculty

Business	Budget Allocation	Accountability/Purpose
MGB expansion - 1st cohort	\$328,304	Supports the MGB program expansion by hiring 2.0 fte faculty, 1.0 fte PEA staff and 0.66 fte COOP
Differential fees	\$94,399	To support programs and final allocation for 5th cohort expansion
Total	\$422,703	

Engineering	Budget Allocation	Accountability/Purpose
Increase in undergraduate student enrolment	\$320,000	Supports hiring of 3.0 fte Faculty and 1.0 fte PEA
Civil engineering program support	\$100,000	Supports hiring of 1.0 fte Teaching Assistant Professor and \$20,000 in supplies
Total	\$420,000	

Human & Social Development	Budget Allocation	Accountability/Purpose
Differential fees	\$2,918	To support programs
Total	\$2,918	

Humanities	Budget Allocation	Accountability/Purpose
Academic writing program	\$160,000	Supports the increase in enrolment in academic writing program by hiring 2.0 fte assistant teaching professors
Total	\$160,000	

Law	Budget Allocation	Accountability/Purpose
Differential fees	\$8,556	To support programs
Total	\$8,556	

2014/15 Base Budget Expenditure Allocations

Island Medical Program	Budget Allocation	Accountability/Purpose
UBC funded program	\$3,057,499	UBC funding to support on-going programming requirements
Total	\$3,057,499	

Library	Budget Allocation	Accountability/Purpose
UBC funded program	\$133,104	Funding provided by Island Medical to support library program
Total	\$133,104	

VP Academic & Provost	Budget Allocation	Accountability/Purpose
International enrolment	\$988,687	To provide supports for the increase in student enrolment
Differential fees	\$9,469	To provide academic support
Total	\$998,156	

Non-academic related expenditures

VP Finance and Operations	Budget Allocation	Accountability/Purpose
Differential fees	\$98,928	To provide infrastructure support
Centre for athletics, recreation, and special abilities	\$760,000	To support CARSA operating costs
Total	\$858,928	

Human Resources	Budget Allocation	Accountability/Purpose
Hazardous waste	\$65,000	To provide support to increasing hazardous waste costs
Total	\$65,000	

Information Services	Budget Allocation	Accountability/Purpose
Research system licensing	\$150,000	Supports research system licensing fees
Total	\$150,000	

Legal Fees	Budget Allocation	Accountability/Purpose
Legal costs	\$150,000	Funding to support UVic legal fees
Total	\$150,000	

**** Only those Faculties and/or Departments listed received an allocation for 2014-15.**



University
of Victoria

SUBMISSION TO THE UVIC BOARD OF GOVERNORS

FOR INFORMATION

19 September 2014

To: Board of Governors

From: Carmen Charette, Vice-President External Relations

A handwritten signature in blue ink, appearing to read 'C. Charette'.

cc: President and Vice-Chancellor

Meeting Date: 30 September 2014

Subject: Overview of Community Engagement at the University of Victoria

BACKGROUND

The University of Victoria has a long history of positive and mutually beneficial engagement with the many external communities that align with and support its mission and priorities. As noted in *A Vision for the Future—Building on Excellence* (2012), the university is committed to “employing our core strengths to benefit our external communities—locally, regionally, nationally and internationally—and promoting civic engagement and global citizenship”¹.

In order to achieve the goal of establishing “UVic as a recognized cornerstone of the community, committed to the sustainable social, cultural and economic development of our region and our nation”², the Strategic Plan (SP) calls for:

- a framework and organizational mechanisms, programs, activities, enhanced access, and stronger community relationships to support greater community engagement on and off campus (SP objectives 29a-c, 30a-e and 31-a-d)
- increased opportunities for community-based learning and research (SP objectives 12a; 17b; 18a-d, 19a-c; 21c, 23a-e, and 24a-b)
- strong relationships with First Nations communities (SP objective 3c)
- stronger Alumni programs and supports (SP objectives 10a-c)

The term ‘community’ has a broad and inclusive meaning at UVic. Any external community is included, whether a local neighbourhood or a national interest group that has a sustained relationship with some aspect of the university. The term ‘engagement’ also can take many different forms, but the underlying attribute of community-university engagement is that there is mutuality in the relationship, resulting in benefit to all involved.³

The following offers a synopsis of community-university engagement and priorities, and focuses on the ways in which the Division of External Relations supports community relations.

¹ P. 6

² P. 14

³ Based on definitions provided in the June 2014 draft document CUE@UVIC, prepared by the Special Advisor to the Provost on community-university engagement

OVERVIEW OF COMMUNITY ENGAGEMENT AT UVIC

Because “community engagement is a thread that runs through the fabric of the institution”⁴ community relations activities are dispersed across campus and involve a wide range of academic and administrative units. The following matrix offers an overview of the many units that engage directly with external communities along a continuum of engagement, beginning with relatively passive initiatives to inform and welcome communities to much more active and formalized collaborations. In many cases, UVic units work collaboratively with other internal partners to achieve their mutual goals.

The following matrix effectively maps the range of UVic units involved in varying levels of engagement with diverse constituencies, and helps to illustrate the inherent complexity of our work with community. To optimize the use of resources, networks and knowledge in support of community-university engagement, the following pan-university initiatives are underway:

- Preparation of a document by the Community-University Engagement Executive Committee (comprised of the Vice-Presidents, two Deans and the Special Advisor to the Provost on Community Engagement) that recommends a framework and organizational mechanisms to coordinate activities. The emerging framework recognizes five pillars of community-university activity:
 - Community engaged research
 - Community engaged learning
 - Good neighbour
 - Knowledge mobilization
 - Policies and institutional supports
- Committee to coordinate community-related activities across the four Vice-Presidents’ portfolios
- Review of the ways in which the University website and other communications provide current and prospective community partners with information
- Strengthening networks and communication among the many units that interact with community to build synergies, identify gaps, and ensure consistent and effective communications with external constituencies.

ROLE OF THE EXTERNAL RELATIONS DIVISION IN COMMUNITY RELATIONS

1) Relationship development and management:

External Relations includes three units that develop and sustain strategic relationships across a number of sectors to ensure the effective exchange of information, to identify opportunities for collaboration and mutual support, and to maintain positive relations that support other university divisions in achieving strategic goals, including securing resources.

- Community Relations serves as UVic’s primary liaison with municipal governments, neighbourhood associations, social and cultural agencies including the United Way and Leadership Victoria, and community members with enquiries and concerns. It also manages public relations aspects of Finnerty Gardens.
- Corporate Relations fosters partnership opportunities with the business community through exclusive strategic alliance or sponsorship agreements and directs revenues or in-kind products and services to university priorities.
- Government Relations serves as the University’s primary liaison with the provincial and federal governments in order to promote UVic’s priorities and secure resources, working closely with a range of other UVic units to ensure positive and strategic relations.

⁴ *A Vision for the Future—Building on Excellence*, p. 13

2) Public Engagement:

External Relations includes two units that work directly with the public:

- Legacy Art Galleries promote cultural and academic collaborations within and beyond the university to engage curiosity, inspire creativity, and foster learning through art. In addition to welcoming approximately 15,000 visitors to the Legacy Art Gallery in downtown Victoria and to the Legacy Maltwood in the McPherson Library, Legacy Galleries has over 3000 works of art on display across campus and in the community, and works with diverse constituencies to develop and study collections
- The Farquhar Auditorium attracts over 100,000 community members to approximately 150 performances, lectures and other activities annually, organized by both university and community agencies. Convocations in June and November are always an opportunity to bring community and university together to celebrate UVic's graduates.

3) Alumni & Development cultivate and sustain important relationships with UVic's 130,000 alumni and with multiple donors who play critical roles in support of the university and its students.

4) Communications + Marketing ensures that communications with UVic's many external communities are timely, clear and grounded in consistent messaging regarding the university's distinctive features, including its commitment to community engagement.

UVic's diverse levels of engagement with communities of interest

Notes: The 'Inform...Collaborate' continuum below offers a means of mapping nature and degree of community-university engagement; acronyms for UVic units are noted the first time a unit name appears; bolding denotes units within the Division of External Relations

	Inform	Welcome	Consult	Involve	Collaborate
Objectives:	<i>Provide information to involve community in activities/share news</i>	<i>Organize services/activities that enable communities to access and participate</i>	<i>Obtain community feedback on analysis, alternatives or decisions</i>	<i>Work directly with community to consider opportunities/concerns</i>	<i>Partner with community in each aspect of a project or decision</i>
Communities:					
Students	Communications + Marketing (C+M) , Student Affairs (SA), Indigenous Affairs (INAF)	Farquhar Auditorium, Legacy Galleries (LEG), Finnerty Gardens , SA, FAC, LIB, Vikes Athletics, Phillip T. Young Hall, Pheonix Theatre	SA, FAC, LIB, INAF	SA, INAF, FAC, LIB, Senate, Board of Governors (BoG)	SA, FAC, LIB
Neighbourhoods	Community Relations (CommR)		CommR , Campus Planning	CommR , Campus Planning	
General public	C+M, CommR				
Community special interest groups	CommR , Faculties (FAC), Libraries (LIB), Research Centres (RCs)	CommR , FAC, LIB, RCs, SA, Libraries	FAC, LIB, RCs, LEG, Institute for Studies and Innovation in Community-University Engagement (ISICUE), Knowledge Mobilization (RPKM)	FAC, LIB, RCs, ISICUE, RPKM	FAC, LIB, RCs, ISICUE, RPKM
Social agencies	CommR , RPKM	CommR , FAC, LIB, ISICUE	FAC, LIB, ISICUE, RPKM	FAC, LIB, ISICUE, RPKM	FAC, ISICUE, RPKM
Economic development agencies	Corporate Relations (CorpR) , CommR , RPKM	CorpR	FAC, ISICUE, RPKM	FAC, ISICUE, RPKM	FAC, ISICUE, RPKM
Professional groups	FAC, LIB	FAC, LIB	FAC, LIB, ISICUE, RPKM	FAC, LIB, ISICUE, RPKM	FAC, LIB, ISICUE, RPKM
First Nations	INAF, Indigenous Academic and Community Engagement (IACE)	FAC, LIB, INAF, IACE	FAC, LIB, INAF, IACE, ISICUE, RPKM	FAC, LIB, INAF, IACE, ISICUE, RPKM	FAC, LIB, INAF, IACE, ISICUE, RPKM
Experiential learning partners	FAC, LIB; Co-operative Education (Co-op);	Co-op, FAC, LIB	Co-op, FAC, LIB	Co-op, FAC, LIB	Co-op, FAC, LIB
Alumni	Alumni Relations (Alum) ; C+M	Alum in cooperation with FAC, LIB	Alum, with the Alumni Association (AlumAssoc)	Alum, with the AlumAssoc	Alum, with the AlumAssoc
Donors	Development Office (Dev't) , Alum	Dev't in collaboration with FAC, LIB, RCs and Executive	Dev't in collaboration with FAC, LIB, RCs, LEG, Executive	Dev't in collaboration with FAC, LIB, RCs, Executive	Dev't in collaboration with FAC, LIB, RCs, Executive
Government funders/partners	Government Relations (GR) ; Research Administration (RA)	GR with RA and Executive	GR with RA and Executive	GR with RA and Executive, Ocean Networks Canada (ONC)	GR with RA and Executive, ONC
Corporate/industry sponsors/partners	CorpR , RPKM; RA, Innovation Centre for Entrepreneurs (ICE), Purchasing (Purch)	CorpR in cooperation with sponsored units, Purch	CorpR , Co-op, FAC, RPKM, RA, ICE, CanAssist, ONC, Purch	CorpR , Co-op, FAC, RPKM, RA, ICE, CanAssist, ONC, Purch	CorpR , Co-op, FAC, RPKM, RA, ICE, CanAssist, ONC, PURch
Municipal governments	CommR ; RPKM; Campus Planning (CP)	CommR in cooperation with involved units	CommR , CP	CommR , CP, Facilities Management (FMGT)	CP, FMGT

Acronym Key

Alum	Alumni Relations
AlumAssoc	Alumni Association
C+M	Communications and Marketing
CommR	Community Relations
Co-op	Co-operative Education
CorpR	Corporate Relations
CP	Campus Planning
Dev't	Development Office
FAC	Faculties
FMGT	Facilities Management
GR	Government Relations
IACE	Indigenous Academic and Community Engagement
ICE	Innovation Centre for Entrepreneurs
INAF	Indigenous Affairs
ISICUE	Institute for Studies and Innovation in Community-University Engagement
LEG	Legacy Galleries
LIB	Libraries
ONC	Ocean Networks Canada
Purch	Purchasing
RA	Research Administration
RCs	Research Centres
RPKM	Knowledge Mobilization
SA	Student Affairs