



BOARD OF GOVERNORS

Meeting
Friday, February 7, 2025

OPEN SESSION: 1:00 p.m. – 3:30 p.m.

AGENDA

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

“The Board respectfully acknowledges that we are on the treaty and traditional territory of the Mississauga Anishinaabeg. We offer our gratitude to First Peoples for their care for, and teachings about, our earth and our relations. May we honour those teachings.”

- 2. Consent Agenda** Chair

Draft motion:

That the Consent Agenda be approved [as presented or as amended]

- 2.1. Approval of Minutes**
Open Session, December 6, 2024 (for approval) (pg. 4)
- 2.2. Financial Update**
Report (for information) (pg. 9)
- 2.3. Capital Projects Update**
Report (for information) (pg. 17)

- 3. Chair’s Remarks** Chair

- 4. President’s Report** C. Bruce

- 5. Appropriations Review** M. Lavallée / VP Al-idrissi
Report (for approval) (pg. 24)

Draft Motion:

That the Board of Governors approve the reallocation of \$16.9 million in previously appropriated funds and carry forwards to the Operating Pressures Contingency Reserve.

6. **Special Resolution II.5 – Statement of Investment Policies and Procedures -Staff Pension Plan** J. McKenna/ VP Al-idrissi
Report and Policy Revisions (for approval) (pg. 28)

Draft Motion:

That the Board of Governors, approve the revisions to Special Resolution II.5 Statement of Investment Policies and Procedures for the Contributory Pension Plan for Employees Represented by Ontario Public Sector Employees Union (OPSEU) Local 365 and Exempt Administrative Staff of Trent University as presented.

7. **Special Resolution III.1 – Appointment of Members of the Board of Governors** V. Lovekin
Report and Policy Revisions (for approval) (pg. 72)

Draft Motion:

That the Board of Governors approve revisions to Special Resolution III.1: Appointment of Members of the Board of Governors as presented (or amended).

8. **Special Resolution III.3 – Removal of Inactive Board Members** V. Lovekin
Report and Policy Revisions (for approval) (pg. 79)

Draft Motion:

That the Board of Governors approve revisions to Special Resolution III.3 – Removal of Inactive Board Members as presented (or amended).

9. **Special Resolution I.1 Executive Committee - Terms of Reference** V. Lovekin
Report and Policy Revisions (for approval) (pg. 83)

Draft Motion:

That the Board of Governors approve revisions to Special Resolution I.1 – Executive Committee Terms of Reference as presented (or amended).

10. **2025/2026 Operating Budget Update** M. Lavallée / VP Al-idrissi
Report (for information) (pg. 90)

Draft Motion:

That the Board of Governors receive this report for information.

11. **Annual Review of Credit Rating – Including Debt Capacity** M. Lavallée / VP Al-idrissi
Report (for information) (pg. 101)

Draft Motion:

That the Board of Governors receive this report for information.

12. Heritage Oversight Annual Report

M. Lavallée / VP Al-idrissi

Report (for information) (pg. 113)

Draft Motion:

That the Board of Governors receive this report for information.

13. Gidigaa Migizi Design Update

VP Al-idrissi / D. Schmitt / A. Perlis

Presentation (for information)

14. Meeting Adjournment

Chair



Board of Governors

Minutes of the Meeting – Open Session

Peterborough ON, December 6, 2024

Present – In Person: D. Kirk (Chair), F. Baban, G. Beggs, D. de Launay, J. González Güel, E. Hanna, M. Lavallée, V. Lovekin, J. McGarrity, J. McKenna, P. Norman, K. Scaldwell, H. Uluorta, (Vice-President, Communications & Enrolment) M. Burns, (Vice-President, External Relations & Development) J. Davis, (Acting Vice-President, Trent Durham) S. Henderson, (Vice-President, Human Resources) S. Williams, (University Secretary) B. Blackburn, (Governance & Access Privacy Officer) R. Hall, T. Edwards (Recording Secretary)

Present – Virtual: A. Ramsay, (Vice-President, Finance & Administration) T. Al-idrissi, (Associate Vice-President, Finance) C. Turk

Regrets: Y. Craig, T. Gervais, K. Honey, E. Kaszecki, U. Mrabure

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

1. **Welcome and Adoption of Agenda.** The Chair called the Open Session of the meeting to order at 1:04 p.m. Hearing no amendments to the agenda, and no conflicts of interest declared, it was moved/seconded (McGarrity/Beggs),

That the Board approve the agenda as presented. Carried

2. **Consent Agenda.** It was moved/seconded (de Launay/McGarrity),

That the consent agenda be approved as amended. Carried

2.1 Approval of Minutes. The Open Session minutes of October 18, 2024, were approved as presented.

2.2 Financial Update. Received for information.

2.3 Capital Project Update. Received for information.

2.4 Investment Performance Summary (Pension) – Q3. Received for information.

2.5 Investment Performance Endowment/Sinking Fund – Q3. Received for information.

2.6 Mawer Global Equity Pooled Fund. Received for information.

2.7 Creation of New Department of Psychology at Durham GTA. Received for information.

2.8 Revisions to Course Syllabus Policy. Received for information.

3. **Chair's Remarks.** The Chair was saddened to report on the recent passing of former Trent Board Chair and governor emeritus, Dr. Jon Grant. The Chair recognized Governor Kaszecki who was presented with the Robert W. F. Stephenson Prize by the Trent University Alumni Association on November 21st, for her efforts in student governance.
4. **President's Report.** The President reported on various activities since the last meeting, including:
 - November 8th and 16th – Open House events took place at both campuses, with a promising increase in both registration and on-the-spot applications.
 - November 14th – Met with Governors Emeriti.
 - November 15th – The President and the Chief of Curve Lake First Nations, Dr. Keith Knott, unveiled the new cornerstone at Champlain College honouring Anishnaabemowin as the original language of the territory.
 - December 3rd – During the annual Giving Tuesday event, the Trent community raised over \$500K for student supports.

Enrolment Update. President Bruce spoke to the finalized enrolment counts received on November 1. She noted that while the University is currently experiencing an enrolment shortfall of 3.9%, the President provided four recovery tactics being pursued by the University to assist in recuperating these numbers: 1) new programs at both campuses, 2) improved recruitment initiatives, 3) enhanced scholarship offerings, and 4) budget reduction modeling.

Awards and Recognition. The President was pleased to report that the Forensic Crime Scene Facility was recently recognized by the International Living Future Institute as being the first Canadian building to receive Zero Carbon Certification. Additionally, the Trent Lands & Nature Areas Plan received honorable mention in the METROPOLIS Planet Positive Awards in the innovation-community engagement category.

Government Relations. The President recently had meetings with Oshawa MPP, Jennifer French, and Durham Regional Chair, John Henry. The COU Executive Heads convened earlier in the fall to discuss the Blue-Ribbon Panel a year after its inception, including efforts surrounding funding requests to the government, and increasing domestic enrolment.

5. **Board of Governors 2024-2025 Leadership Scholarship.** The Chair commented on the importance of the Board scholarship and reported to date \$15,670 had been raised - just over 50% of this year's goal. He introduced Ms. Denise Marek, the recipient of this year's Board of Governors scholarship, and the first recipient from the Trent Durham GTA campus.

5.1 Presentation from Recipient. Ms. Marek, a mature student in the Trent Social Work program and recent graduate from Durham College, shared her journey to Trent and the impact the Board of Governors Leadership Scholarship has had with her academic pursuits. Ms. Marek thanked the Board for the scholarship, as this opportunity has provided her with the motivation to continue pursuing her academics.

6. 2023-2024 Audited Pension Financial Statements. Governor McGarrity, as Chair of the Audit & Investment Committee, presented the 2023-24 Annual Pension Financial Statements of the OPSEU/Exempt plan for approval. It was noted that the auditors found the financial statements present fairly in all material respects. The auditors did not identify any uncorrected presentation or disclosure differences, nor did they identify any adjustments requiring correction in the financial statements. As of June 30, 2024, the plan had net assets available for benefits of \$196.1M and a pension obligation of \$196.6M, resulting in a deficiency of \$0.5M. Retirement benefits and other payouts were managed effectively, and the plan's investments performed well, resulting in a net increase of \$19.7M in assets. The plan is on track to transition to the University Pension Plan (UPP) on January 1, 2025, with measures in place to cover any solvency payments until the transition is complete. Despite financial challenges being seen across the sector in Canada, the plan remains stable due to prudent fiscal management and strategic planning.

It was moved/seconded (Norman/Beggs),

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

7. Special Resolution II.13 – Short Term Cash Investment Policy. Governor McGarrity, as Chair of the Audit & Investment Committee, presented this updated policy with minor amendments, including expanding the scope to provide clarification on what is considered within the policy, updating the terms of maturity to include investments that are one year in length, reclassifying the policy as a Board Special Resolution, and housekeeping edits.

It was moved/seconded (de Launay/McKenna),

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

8. Supplier Code of Conduct Policy. Governor McGarrity brought forward the new Supplier Code of Conduct Policy. This policy has been developed in response to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*. A friendly amendment was brought forward under the 'Environmental' section, requesting that

“Reducing greenhouse gas consumption” be corrected to state “Reducing greenhouse gas emissions”. Suppliers who violate the policy may face consequences as per the “Enforcement and Compliance” section.

It was moved/seconded (Beggs/Scaldwell),

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

9. Revisions to Procurement of Goods and Services and Related Policies.

Governor Lavallée, as Chair of the Finance & Property Committee, presented changes to the Procurement of Goods and Services Policy. These changes include, alignment with broader public sector (BPS) procurement directives, increased approval authorization threshold values, updated quotation requirements, and revised authorization for non-competitive approvals. Changes to the Policy on Contract Signing Authority, Special Resolution II.2 and Special Resolution II.4 were also being recommended to align with the changes presented.

It was moved/seconded (de Launay/Scaldwell),

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

10. 2025-26 Operating Budget – Fiscal Environment, Budget Processes and Timelines.

VP Al-idrissi reported that a conservative approach to enrolment projections is recommended largely due to the continuing uncertainties and challenges of the current fiscal environment. The Strategic Mandate Agreement 4 (SMA4), which is being negotiated this year, will be commencing with fiscal 2025/2026. In the first two years of SMA4, SMA-related enrolment funding will remain steady with no funding for domestic enrolment growth or a reset of the general corridor. Performance-based funding at risk will remain at 25% of total operating grants based on 8 performance-based metrics. In years three to five, the performance-based grant will increase by 5% each year. In addition, SMA4 will introduce a new Efficiency, Accountability, and Transparency priority area which will link 5% of total operating funding to accountability requirements. The province's tuition fee framework continues to be frozen for domestic students within Ontario.

Inflation has remained a significant impacting factor in budget planning, affecting almost every aspect of the University's operations. Pension costs also remain a significant expense, but the transition to the University Pension Plan (UPP) is expected to be a contributing factor to improving the University's financial

sustainability. Despite the challenges, Trent remains committed to prudent fiscal management and strategic planning to ensure long-term financial sustainability.

It was moved/seconded (McGarrity/Lovekin),

That the Board of Governors receive this report for information.

- 11. Special Resolution III.8 – Board Diversity Policy.** Governor Lovekin, as Chair of the Nominating & Governance Committee, outlined the revisions brought forward in Special Resolution III.8. These include expanding gender diversity, removing outdated statistical information, removal of the goal associated with Central Ontario, adding substantiation of Indigenous identity, and expanding the application of this policy to include committee members. The updates brought forward for this policy were made in consultation with the Equity and Human Rights Office.

It was moved/seconded (Beggs/McKenna),

That the Board of Governors approve revisions to Special Resolution III.8: Appointment of Members of the Board of Governors – Board Equity, Diversity and Inclusion Policy as presented. Carried

- 12. Sustainability and Energy Plan Update.** AVP Bianco presented an overview of actions taken in response to the 2024 Sustainability and Energy Plan, which focuses on reducing environmental impact, increasing engagement, and demonstrating leadership and accountability efforts. In response to a Governors inquiry surrounding how investments in fossil fuels relates to this plan, it was stated that the scope of this plan is for facilities and campus operations, noting that the University Investment Manager selection considered ESG as a criteria in its evaluation and selected Investment Managers who consider ESG in their investment decisions. Governor McGarrity stated that such discussions would take place at the Audit & Investment Committee.

- 13. Meeting Adjournment.** The open session of the meeting was adjourned at 2:51 p.m.

Brenda Blackburn
University Secretary

Doug Kirk
Chair



Board Report

Session: ☐ Closed Session; ☒ Open Session

Action Requested: ☐ Decision; ☐ Discussion/Direction; ☒ Information

To: Board of Governors

Date: February 7, 2025

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

Subject: Financial Update to November 30, 2024

Motion for Consideration (if applicable):

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

Executive Summary:

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

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

This estimated loss of net tuition and ancillary revenue is offset by higher-than-expected interest income of \$1.8 million and Trent's allocation of \$1.5 million in Post-secondary Education Sustainability Funding (PSESF) announced by the Ministry in June 2024. These funds were not known at the time the budget was approved in March 2024 and therefore not included in the budget.

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Trent is now projecting a nominal operating surplus of \$0.4 million for the year.

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

Analysis/Alternatives Considered:

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

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

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

Year-to-Date Performance

Cash on Hand: Cash on hand at November 30, 2024 was \$69.1 million compared to \$95.1 million in cash on the same date in 2023. The cash balance at November 30, 2024 is comprised of approximately \$25.7 million in restricted funds (externally funded trust, research and fundraising) and \$43.4 million in unrestricted cash. This unrestricted balance represents approximately 2.4 times the normal total monthly cash requirements for the University.

Operating Line of Credit: The University has available an operating line of credit of \$6 million, which increases to \$12 million twice a year to offset periods of lower cash inflows. The interest rate on the operating line of credit, when drawn, is the bank's prime lending rate and amounts are repayable on demand. The University is currently using this line of credit to accommodate the standby letter of credit (LOC) issued to address solvency special payments for the staff pension plan, which had a cumulative value of \$2.7 million at November 30, 2024. This LOC expired on conversion of the plan to the University Pension Plan January 1, 2025.

Short Term Investments: In addition to the cash on hand noted above, the University has \$80.0 million (2024 - \$50.0 million) invested in multiple short-term GICs to maximize investment income on excess cash. These short-term investments are invested at \$5 million each earning between 4.57% to 5.95% with maturity in January, March, April, June

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and September 2025 to ensure liquidity should some or all of this excess cash be required for operations.

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

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

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

Year-end Projection

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

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

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

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

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

Miscellaneous Revenue: Interest revenue is budgeted conservatively due to uncertain fluctuations in rates of return. Accrued interest income is recorded monthly in the current fiscal year, allowing for increased accuracy in annual projections during the year. Income from cash and short-term investment deposits is projected to be \$7.0 million, which is \$1.8 million more than budgeted.

Operating Expenses: The majority of the University's operating expenses are incurred during the Fall 2024 and Winter 2025 academic terms. As of this reporting date, senior administration is not aware of any material changes to planned operating expenses (other than those accounted for in the net tuition revenue identified above) that would warrant an adjustment to the budget. Trent has reached an agreement with CUPE2 that is within budgeted amounts.

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

Financial Implications:

With the revised enrolment projections and financial implications noted above, which are offset by the additional PSESF funding for 2024/2025 and increased investment income, the University is now projecting a nominal surplus of \$390,000 for the fiscal year.

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

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

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

Given the current situation, the University has modelled additional scenarios for international enrolment and continues to track international enrolment very closely. Based on information to January 10, 2025 (the time this report was prepared), there is

nothing material that would warrant a change in the current enrolment projections for this fiscal year.

Enterprise Risk Assessment:

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

Next Steps:

The next financial update will be provided at the next Finance and Property Committee meeting on March 18, 2025.

Alignment with Mission, Vision, Values, Strategic Plan:

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

Consultation:

Not applicable

Compliance with Policy/Legislation:

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

Committee/Board Mandate:

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

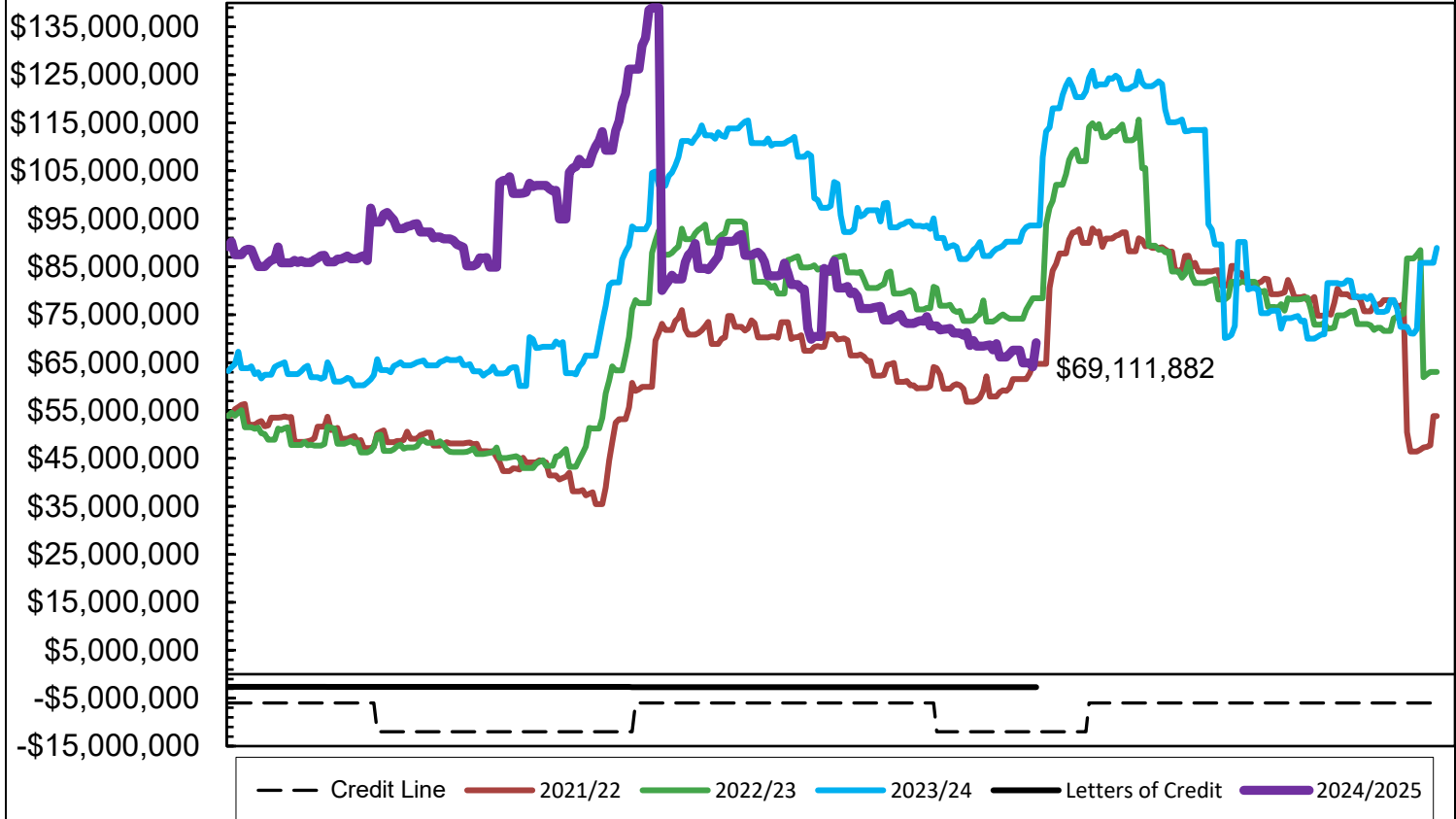
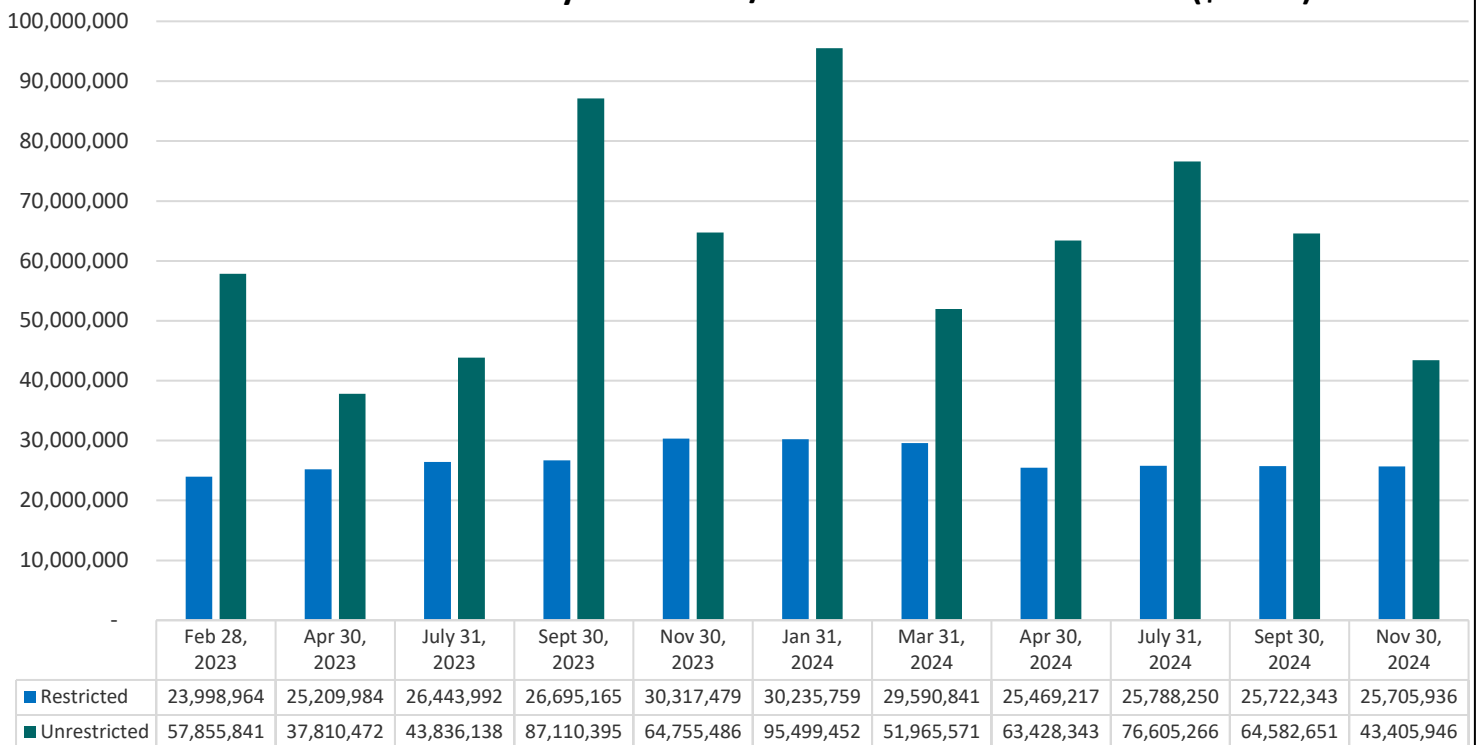
In its finance role, the Committee monitors budget projections and debt levels and recommends operating, ancillary and capital budgets for the approval of the Board of Governors. It recommends levels of student fees, spending authority, loans and lines of credit for Board approval. The Committee makes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

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

Supporting Reference Materials (attached):

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

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

Appendix A – Cash Position for the Period Ending November 30, 2024**TRENT UNIVERSITY CASH POSITION FOR 2021-22 to 2024-25****Trent University Restricted / Unrestricted Cash Position (\$000's)**

Appendix B:

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

	YTD ACTUAL	BOARD- APPROVED ANNUAL BUDGET	ANNUAL PROJECTION	ANTICIPATED ANNUAL VARIANCES
REVENUE				
Government grants	30,543	54,145	56,110	1,965
Tuition	82,802	162,539	147,206	(15,333)
Provision for tuition revenue loss	-	(10,000)	-	10,000
Miscellaneous revenue	5,448	5,230	7,040	1,810
TOTAL REVENUE	118,793	211,914	210,356	(1,558)
EXPENSES				
Instructional staff	44,546	93,967	93,967	-
Non-instructional staff	35,629	63,227	63,227	-
Student financial aid	8,191	15,963	15,020	943
Non-staff expense	22,930	51,102	50,052	1,050
Total expense	111,296	224,259	222,266	1,993
Cost recoveries	(10,372)	(12,294)	(12,050)	(244)
TOTAL NET EXPENSE	100,924	211,965	210,216	1,749
EXCESS OF REVENUE OVER EXPENSE	17,869	(51)	140	191
Change in Internally Restricted Assets & Endowment Transfers	6,345	250	250	-
EXCESS (DEFICIT) from University Operations	24,214	199	390	191



Board Report

Session: ☐ Closed Session; ☒ Open Session

Action Requested: ☐ Decision; ☐ Discussion/Direction; ☒ Information

To: Board of Governors

Date: February 7, 2025

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

Subject: Capital Projects Update

Motion for Consideration (if applicable):

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

Executive Summary:

With the 2024 construction season behind us, the institution delivered several capital renewals or new construction projects. This upcoming construction season continues to show promise for upcoming projects in need, such as the construction of the Bata Catwalk and the design of the Faryon Bridge rehabilitation.

While construction costs increase year over year and labour challenges continue, staff will need to plan accordingly for the near future. The institution will also work diligently to plan financial implications accordingly.

Discussion:

Facilities Renewal Program (FRP) – 2024/2025

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

Provincial funding is intended to supplement postsecondary institutions' programs that address ongoing needs for maintaining, repairing, renovating, and modernizing existing facilities. However, limitations do exist concerning project eligibility. The FRP funding is primarily intended for academic space improvements, but Trent can use this funding to improve access to students with disabilities. This restriction results in a large volume of space on each Campus that is not eligible for improvements through FRP funds. Table 1 – Draft Facilities Renewal Program Project List – 24/25

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

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

New College Parking Lot

The parking lots will replace the spaces lost during the construction of the new college and the reconstruction of the Otonabee residence. The contractor was awarded the tender in the fall, and construction is underway. With the earthworks complete, the site services, including stormwater management, are now being installed and will continue through the winter months.

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

Science Workshop and Science Storage Relocation

Staff worked with faculty to find acceptable spaces for the science workshop and the science storage facility located within Gidigaa Migizi's construction footprint. The storage facility has been accommodated within the new college. Therefore, a temporary facility will be needed during construction. The temporary facility will find itself at the southeast corner of Pioneer Road and Nassau Mills Road on Trent Lands. The science workshop will be relocated to the vacant space in Environmental Science previously occupied by animal care.

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The project management office is now collaborating with the contractor of Gidigaa Migizi, FRAM Construction, to finalize the design of each facility to the satisfaction of the Science Department.

The Heritage Committee will be consulted on the final design.

Tree Removal

Knightstone Capital, the preferred proponent, will begin clearing trees this winter in the footprint of the future construction project. Originally intended to be completed in the fall, Knightstone Capital has been slightly delayed with approvals. Due to nesting birds, the window for tree clearing is October to March. This operation is required to begin the project in the spring or summer of 2025.

Bata Catwalk Bridge Deck Replacement (~\$1.5M +)

Administration has received approval from the Heritage Committee on the scope of work included in the contract document. The project received Board approval at its meeting on December 6.

The contractor is scheduled for mobilization at the end of February or the beginning of March. Staff are working with City Transit and institution operational units to accommodate the disruption in the area as best as possible, knowing that it will affect the end users.

Rehabilitation of the Faryon Bridge (~\$800K +)

The Faryon Bridge's renewal is expected to be completed in two stages: phase one will include the deck renewal, and phase two will consist of the renewal of the support structure beneath the deck.

The project received Board approval at its meeting on December 6 for the design work required before the tendering this spring. The previous detailed assessment and preliminary design completed in the Summer/Fall advanced the project details, and the final design is moving quickly. A spring/summer award is expected for the work completed over two construction seasons.

The initial assessment completed years ago proposed an intensive removal and reconstruction of various bridge members. The proposed scope of work highlighted challenges with maintaining pedestrian traffic while reconstructing the bridge. This proposed path also requires work in the water to support the bridge during construction, which must be coordinated with the waterway authorities.

The project management office will continue to work with the Heritage Committee through the detailed design process. The committee's early involvement will ensure the project considers the heritage aspects of the project.

Classroom Renovation and Academic Space Rehabilitation (~\$500k)

The project management office and the Registrar collaborated this past year to complete the classroom renovation project in Otonabee Academics, which now adds an additional large-capacity class in the scheduling inventory. The teams also refreshed an underutilized, poor condition, seminar room in Champlain College.

The project management office is now collaborating with the registrar's office to convert two smaller classes into one large class at Peter Gzowski College. This asset renewal is slated to occur in the summer of 2025 but is contingent on the design and approval timing. Every effort is being made to complete this project before the upcoming academic year.

Additional renewals (refresh) are proposed for two Champlain College seminar rooms during this coming construction season.

This project is a four-year implementation of recommendations made during the space utilization study.

Trent Research Farm – Driveshed and Master Plan (~\$1M)

Apart from minor deficiency work, the driveshed is complete and ready for the upcoming growing season for faculty and students. Due to safety concerns, the barn's demolition next to the driveshed will advance in the coming months. Trent will celebrate its opening with the various donors, faculty, and Trent's leadership team.

The Research Farm Master Plan is reaching the final stages, and staff are making every effort to respect the Trent Lands and Nature Areas Plan. The comprehensive plan, which the team will complete in the spring, forms a guiding document for the farm's development over time. The Institution continues to foresee farm-supported development along Pioneer Rd's frontage.

Student Housing Renovation

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

Champlain College West (CCW) Quad Curtain Walls and Windows (~\$2.2M +)

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

Administration has met with the Heritage Committee Chair, who recommended that the work continue as planned. The project management office reviewed the original drawings to find the exact colour specified during the original design. With the

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contractor's cooperation, Trent reinstated the “bottle green” colour originally specified. Although the original steel case windows gave way to the newly manufactured aluminum material, they increased energy efficiency, and the project preserved its appearance.

Additional Completed Projects

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

- OC Walkway – (tendered & awaiting FRP Announcement) \$250K
- Various FRP projects - \$2M

Additional Ongoing Projects

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

- Demolition of unused buildings – (two demolitions completed) \$300K
- Sciences Greenhouse Replacement – (design) \$300K
- Bata Vestibule – (Tendered) ~\$260K
- OC K House – (conceptual review) \$150K
- Athletics Squash/First Aid – (completing design)
- Graduate Student Lounge – (design - DNA B109) \$800K
- TERF Lab – (crew mobilization - DNA B104) \$400K, including IT
- Classroom renewal (ongoing DNA 102 – previously NobleGen) \$140K
- Mackenzie House Expansion – (design) \$300k
- Peter Gzowski College/Enwayaang South Emergency Exit – (design) ~\$110K
- SC133 Podium Repair – (Tendered) ~\$110K
- Varsity Physical Therapy Office – (Ongoing) \$100K
- Food Serviced Expansion = (GZW) Oversee food service provider

Future Capital Projects

Future projects include:

- Grounds Operation Facility relocation (pending lands plan priorities)
- Potential Servicing of Seniors Village via Long Term Care project (under consideration)
- Replacement of the Water Quality Centre UPS (uninterruptable water supply) battery backup
- Replacement of the water treatment system in the Environmental Science Complex
- Symons Class Renewal – Phase 3-4
- DNA A block roof renewal
- Action items related to the Durham Task Force review.

Financial Implications:

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

Enterprise Risk Assessment:

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

Next Steps:

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

Consultation:

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

Committee/Board Mandate:

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

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

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Attachment 1 – Driveshed Construction

Architects Rendering



Construction Completion





Board Report

Session: ☐ Closed Session; ☒ Open Session

Action Requested: ☒ Decision; ☐ Discussion/Direction; ☐ Information

To: Board of Governors

Date: February 7, 2025

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

Subject: Appropriations Review

Motion for Consideration (if applicable):

That the Board of Governors approve the reallocation of \$16.9 million in previously appropriated funds and carryforwards to the Operating Pressures Contingency Reserve.

Executive Summary:

While Trent is currently projecting a nominal surplus for the current fiscal year, the preliminary budget for 2025/2026 and modelling for future years indicates potential significant operating deficits before mitigating strategies are implemented to regain financial sustainability. Under the current fiscal environment, the University will need to rely on the use of one-time accumulated appropriations to help balance the budget in the next two years. At April 30, 2024, the reserve to address future operating pressures was \$12.7 million.

In December 2024, senior administration completed a review of the remaining prior year appropriations to reassess the need of each initiative and identify funds that could be released and added to the operating pressures contingency to address the future financial operating challenges. Based on this review, senior administration is recommending a total of \$16.9 million in previously appropriated funds and carryforwards be reallocated to the reserve for operating pressures to bring the total of the contingency fund available to \$29.6 million.

Analysis/Alternatives Considered:

As outlined in the 2024/2025 Financial Update to November 30, 2024 provided at the January 28, 2025 Finance and Property Committee meeting, the current forecast to the fiscal year end 2024/2025 indicates a nominal surplus, meaning little to no funds will be available to appropriate this year. This estimated financial position is subject to change

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once the February 1st final enrolment count is completed, in-year and year-end appropriations, if any, are approved and year-end adjustments are finalized.

The preliminary fiscal projections for the near term commencing with 2025/2026 indicate potential significant operating deficits based on the current fiscal environment and the negative impact on enrolment. For further details, please refer to the 2025/2026 Operating Budget Update provided at the January 28, 2025 Finance and Property Committee meeting. To achieve a balanced budget position over the next two years while allowing time to implement other mitigating strategies to regain financial sustainability, the University will need to use one-time funds set aside in prior years in the operating pressures contingency. At April 30, 2024, the reserve to address future operating pressures was \$12.7 million.

In December 2024, senior administration completed a comprehensive review of the remaining prior year appropriations and carryforwards to reassess the need for each initiative, determine the current status of projects, and update costing estimates, where available. Many of the appropriations are set aside for capital projects and equipment that are still required to address capacity limitations, to reduce future costs or to generate future revenue streams. Other appropriations are staffing related and still required per the collective agreements, to address recruitment challenges, to offset restructuring costs, or to mitigate leaves of absence.

Through this review, senior administration identified \$16.9 million in previously appropriated funds and carryforwards that could be reallocated to the reserve for operating pressures to bring the total of the operating pressures contingency to \$29.6 million.

Financial Implications:

The table below provides a summary of the previously approved one-time appropriations that senior administration is recommending be released and reallocated to the reserve for operating pressures to help balance the operating budget over the next two years.

Initiative	Amount (000's)
1. Various departmental carryforwards (includes small capital projects, startup and recruitment funds, unused medical leave replacements, unused administrative leave expenses, etc.)	\$2,533
2. LTC site community gardens, trails and trail connections (reduce from \$950K to \$400K)	\$ 550
3. Academic space renovations and equipment-unallocated (reduce from \$377K to \$177K to address renovation of previous Noblegen space)	\$ 200
4. Durham campus entrance (reduce from \$500K to \$50K to complete necessary landscaping only)	\$ 450
5. Indigenous sculpture for Gidigaa Migizi College (defer until 2028- Look for other sources of funding)	\$ 250

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6. Roof replacements (will not complete Blackburn Hall and Childcare Centre roofs)	\$ 750
7. Pavement management study (will not be completed)	\$ 116
8. Flashing pedestrian crossing signs (fund from parking reserves)	\$ 8
9. Replacement of interactive voice response phone system (project to be delayed)	\$ 60
10. Declarations of Trust (Funds set aside as reserves when approving Declarations of Trust as not to affect Expendable Resources)	\$5,082
11. Fundraising matching funds (no further commitments at this time. 375K of the original 1M have been committed to matching)	\$ 625
12. College investments (remainder after commitments)	\$ 26
13. Themed community leadership event (reduce from \$50K to \$40K)	\$ 10
14. Special Pension Payments – Carryforwards (Set aside for TUFA Special Payments, as recommended by our actuaries in previous years, but have not been fully used)	\$6,193
Total Appropriations to be Reallocated to Operating Contingency	\$16,853
Balance in Operating Contingency Reserve April 30, 2024	\$12,733
Total Funds Available in Operating Contingency Reserve after Comprehensive Review	\$29,586

The use of one-time appropriations to balance the budget is a short-term strategy and will reduce Trent's expendable resources, a key metric in the University's credit rating assessment and under the Ministry's Financial Accountability Framework.

Enterprise Risk Assessment:

The financial health of the University is paramount to the University's overall success and ability to fulfill its academic mandate and meet student expectations. Monitoring in-year financial performance against the approved budget and modelling future financial scenarios is critical to ensuring well-informed decision making regarding the allocation and use of limited resources. Appropriating unspent budgets to contribute towards future one-time strategic investments is an important way to ensure sufficient funds are available for these high priority initiatives. Reassessing remaining strategic investments on a periodic basis and building a reserve to address future operating pressures provides the University with the ability to withstand financial volatility during challenging fiscal environments.

Next Steps:

Once approved, the identified appropriations will be reallocated to the reserve for operating pressures and be available to help mitigate future operating deficits.

Alignment with Mission, Vision, Values, Strategic Plan:

To fulfill their responsibilities, Governors should be informed of the University's financial situation. Regular financial updates will maintain Governors' awareness of the University's current financial status and allow for input and oversight where needed. Such updates also allow for in-year and year-end decisions for strategic investments if possible,

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or mitigation strategies as necessary in alignment with Trent's mission to "foster sustainability, in its environmental, social and economic dimensions, on our campuses and in all aspects of our work" and Trent's Strategic Plan to "ensure that it is financially healthy and sustainable".

Compliance with Policy/Legislation:

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

Committee/Board Mandate:

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

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

Supporting Reference Materials (attached):

None



Board Report

Session: ☐ Closed Session; ☒ Open Session

Action Requested: ☒ Decision; ☐ Discussion/Direction; ☐ Information

To: Audit & Investment Committee

Date: February 7, 2025

Presented by: Jaime McKenna, Audit and Investment Committee
Tariq Al-idrissi, Vice President, Finance and Administration

Subject: **Special Resolution II.5 – Statement of Investment Policies and Procedures (SIPP) - Staff Pension Plan**

Motion for Consideration (if applicable):

That the Board of Governors approve the revisions to Special Resolution II.5 Statement of Investment Policies and Procedures for the Contributory Pension Plan for Employees Represented by Ontario Public Sector Employees Union (OPSEU) Local 365 and Exempt Administrative Staff of Trent University as presented.

Note: Changes to the SIPP recommended by the Audit and Investment Committee are highlighted in yellow as these changes were made subsequent to the Committee's meeting.

Executive Summary:

At its May 12, 2023 meeting, the Board of Governors of Trent University authorized the University to proceed with the transfer of the assets and liabilities from the Contributory Pension Plan for Employees Represented by Ontario Public Sector Employees Union (OPSEU) Local 365 and Exempt Administrative Staff (the "Staff Plan") to the University Pension Plan (UPP), effective January 1, 2025. This conversion took place as planned on January 1, 2025.

The *Pension Benefits Act* ("PBA") provides that the maximum amount of assets that may be transferred from the Staff Plan to the UPP is an amount equal to the Staff Plan's wind-up liabilities. In other words, any wind-up surplus must be left behind in the Staff Plan.

The actual amount of the wind-up liabilities on the conversion date will be confirmed in the Transfer Report of the Staff Plan prepared by Aon and filed with the Financial Services Regulatory Authority of Ontario (FSRA) by the UPP Board of Trustees under Regulation 311/15 of the *Pension Benefits Act (Ontario)*. This is expected by end of summer.

Any remaining assets in the Staff Plan following the reconciliation and true-up will be held in the Staff Plan until distributed.

In the interim, the investments of the Staff Plan must continue to comply with the requirements and restrictions set out in the Federal Investment Regulations, the *Income*

Tax Act (Canada) and the *Pension Benefits Act (Ontario)* and their respective Regulations, including custodial rules and investment restrictions. The objective of the Staff Plan has changed from a long-term strategy to preserving the value of the assets while waiting to confirm the wind-up liability and complete the distribution of the wind-up surplus, which is expected to be in the Fall 2026.

Senior administration, in consultation with its investment consultant and actuaries (Aon), recommend changes to Special Resolution II.5 Statement of Investments Policies and Procedures for the Contributory Pension Plan for Employees Represented by OPSEU Local 365 and Exempt Administrative Staff of Trent University to govern the investment strategy of the assets held back in the Staff Plan. The major changes are as follows:

- Align the investment strategy, including the asset mix, with the goal of earning some return while preserving the assets by ensuring they are not exposed to market risk.
- Remove references to the liabilities, benefits or contributions of the Staff Plan as they are no longer relevant. The liabilities were transferred to the UPP and commencement of accrual of the benefits and contributions under the UPP occurred on the conversion date. Also, the UPP assumed responsibility for administering and paying UPP benefits on the conversion date.
- Remove references to long-term targets and other unnecessary sections to fit with the short-term mandate of the new objective as recommended by the Audit and Committee.
- Revise the ESG language to align with the policy statement regarding ESG considerations in the University's Endowment SIPP.
- Modify the background information to provide a summary of what has transpired.
- Remove the Special Investment Fund for the Voluntary Early Retirement (VER) program. The VER was established as an early retirement program to top up benefits. The VER is not a registered pension plan and is therefore not subject to the *Pension Benefits Act (Ontario)*. The remaining VER assets, approximately \$2.5 million, should not be held in trust and can be invested however the University feels appropriate.

Analysis/Alternatives Considered:

The assets held back in the Staff Plan are currently sitting in cash with the Staff Plan's custodian, CIBC Mellon. It is senior administration's recommendation that the Staff Plan assets be invested in short-term investments and cash to earn some return while protecting the assets from market volatility and risk. In addition, liquidity of these assets is important to facilitate the true-up transfer once the Transfer Report is completed and filed with FSRA (required within 210 days from the conversion date) and the distribution of the wind-up assets (expected by Fall 2026). Senior administration is exploring options with TDAM, the investment manager for the Staff Plan prior to conversion.

Senior administration is also recommending that CIBC Mellon be maintained as the Staff Plan custodian to ensure compliance with *Pension Benefits Act (Ontario)* requirements.

Financial Implications:

The value of the assets of the Staff Plan liquidated with a settlement date of December 31, 2024 was \$210,979,531.57 net of investment manager fees.

The market value of the VER fund was approximately \$2.5 million at September 30, 2024. The typical drawdown on these assets (benefit payments less income net of expenses and University contributions) is approximately \$140,000 per year based on an analysis of VER activity over the last three years. The University is currently making monthly payments of \$15,808.33 to fund the deficiency between the present value of the obligations and the value of the assets at April 30, 2024.

The investment manager agreement with TDAM dated June 21, 2021 (when the termination of the Master Trust occurred to facilitate the transfer of the Faculty Pension Plan to the UPP) includes a minimum annual investment management fee of \$25,000. All of the assets managed by TDAM are comingled for fee calculation purposes.

Since the conversion of the Staff Plan to the UPP, the only remaining assets under TDAM management are the wind-up assets of the Staff Plan (assuming these assets are reinvested with TDAM) and the VER fund. The investment management fee borne by the VER fund were approximately \$9,000 per month prior to the conversion of the Staff Plan. Re-investing the wind-up surplus assets with TDAM will avoid the VER fund from having to absorb the entire minimum investment management fee, a substantial increase that would be non-sustainable for the VER fund.

In order to preserve the VER assets and minimize investment management fees as much as possible, senior administration is recommending these assets be liquidated and invested in short-term investments and cash similar to the Staff Plan wind-up assets.

Enterprise Risk Assessment:

The Statement of Investment Policies and Procedures provides the framework for the investment of the assets of the Staff Plan. Its purpose is to guide the Board of Governors in ensuring that the Plan's assets are managed and administered responsibly. The primary objective is to preserve the value of assets while waiting to confirm the wind-up liability and complete the distribution of the wind-up surplus.

Next Steps:

Senior administration will complete discussions with TDAM to manage the Staff Plan assets in accordance with the revised Special Resolution II.5 Statement of Investments Policies and Procedures.

Alignment with Mission, Vision, Values, Strategic Plan:

The Board of Governors is responsible for ensuring the financial health of the University. Investing the assets in a way that provides some investment return while preventing exposure to market volatility and risk is financially prudent.

Consultation:

Senior administration consulted with Aon, the University's actuary and investment consultant regarding pension assets, as well as with BMKP Law.

Compliance with Policy/Legislation:

As a registered pension plan, the Staff Plan must comply with the requirements and restrictions set out in the Federal Investment Regulations, the *Income Tax Act* (Canada) and the *Pension Benefits Act (Ontario)* and their respective Regulations

Committee/Board Mandate:

The Audit and Investment Committee is responsible for the review and recommendations for approval of investment policies and procedures, and annual distribution policies. This committee also has delegated authority for the appointment of custodian/trustees and investment managers for Trent's investment funds.

Supporting Reference Materials:

Revised Special Resolution II.5 Statement of Investment Policies and Procedures for the Staff Plan (track changes copy).

Revised Special Resolution II.5 Statement of Investment Policies and Procedures for the Staff Plan (clean copy) – In Supplementary Folder



Special Resolution II.5

Statement of Investment Policies and Procedures

The Contributory Pension Plan for Employees Represented by
Ontario Public Sector Employees Union (OPSEU) Local 365 and
Exempt Administrative Staff of Trent University ~~and Special
Investment Fund~~

~~June 16, 2024~~ January 18, 2025

Prepared by Trent University with the assistance of Aon

Approved on ~~June 25, 2024~~ February 7, 2025 by the Board of Governors of Trent University

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Section 1—Overview

1.01 Purpose of Statement

This Statement of Investment Policies and Procedures (the “Policy”) provides the framework for the investment of the assets in respect of ~~the following:~~

The Contributory Pension Plan for Employees Represented by Ontario Public Sector Employees Union (OPSEU) Local 365 and Exempt Administrative Staff of Trent University, registration number 0310409 (the “Plan”);

~~(a) — The Special Investment Fund which supports Trent University’s Voluntary Early Retirement (VER) Program (the “Special Investment Fund”).~~

~~The funds for the Plan, together with the Special Investment Fund, are referred to as the “Funds”.~~

The administrator of the Plan is the Trent University Board of Governors (the “Board”). The Board designates a senior administrative official of Trent University (the “University”) who is responsible to the Board of Governors for the Plan ~~and for the Special Investment Fund.~~

This Policy is based on the “prudent person portfolio approach” to ensure the prudent investment and administration of the assets of the Plan within the parameters set out in the *Pension Benefits Act, (Ontario)* and the Regulations thereunder. ~~While the Special Investment Fund is not subject to the Pension Benefits Act, (Ontario) and the Regulations thereunder, these will also be governed by this policy.~~

1.02 Plan Background and Profiles

~~The liability data presented below is taken from the latest actuarial valuation reports. This information will be reviewed and updated following the filing of the next actuarial valuation reports with the regulatory authorities.~~

~~(a) — The Contributory Pension Plan for Employees Represented by Ontario Public Sector Employees Union (OPSEU) Local 365 and Exempt Administrative Staff of Trent University~~

~~(i) — Background~~

This pension plan was established as a defined benefit pension plan effective July 1, 1969 and restated July 1, 1998. Full-time staff (OPSEU and exempt) of the University are required to become members of the Plan upon their date of hire.

On January 1, 2025, the Plan was converted to the University Pension Plan (UPP), a jointly sponsored multi-employer pension plan. The liabilities of the Plan were transferred to the UPP on the conversion date. January 1, 2025 was the effective date of the commencement of accrual of the benefits and contributions

under the UPP, and the UPP assumed responsibility for administering and paying UPP benefits.

The *Pension Benefits Act (Ontario)* provides that the maximum amount of assets that may be transferred from the Plan to the UPP on conversion is an amount equal to the Plan's wind-up liabilities. As a result of strong investment returns and an increase in long-term interest rates, the Plan had an estimated wind-up surplus on conversion. Based on conservative estimates of the wind-up liabilities, the University transferred \$190 million in assets of the Plan to the UPP on January 1, 2025 (the Transfer Amount), and the remaining assets (an estimate of the Wind-up surplus) were retained in the Plan.

The actual amount of the wind-up liabilities on the conversion date will be confirmed in the Transfer Report of the Plan prepared by the Plan actuary and filed with the Financial Services Regulatory Authority of Ontario (FSRA) by the UPP Board of Trustees under Regulation 311/15 of the *Pension Benefits Act (Ontario)*. Within 30 days of filing the Transfer Report with FSRA, a reconciliation of the Wind-up Surplus and the Transfer Amount will be performed and a "true-up" transfer to/from the UPP from/to the Plan will be completed to finalize the transfer of assets from the Plan to the UPP.

- 1.03** Any remaining assets in the Plan following the reconciliation and true-up will be held in the Plan until distributed in accordance with the terms of the Plan, which provides for a distribution of 50% to the members of the Plan and 50% to the University. An equitable allocation of the members' share of the wind-up surplus will be determined once the amount of the wind-up surplus is confirmed. The distribution to the University of Trent's share requires FSRA approval.

~~(i) — Contributions~~

~~Members are normally required to contribute an agreed percentage of earnings each year (per the current collective agreement). The University contributes in accordance with the terms of the Plan and the actuarial valuation.~~

~~(ii) — Benefits~~

~~The Plan provides an annual benefit equal to 2.0% of the member's Final Average Earnings for each year of pensionable service. Pensions payable under the Plan may be increased annually in accordance with indexation formulas outlined in the Plan.~~

~~(iii) — Liabilities~~

~~Refer to the most recent actuarial valuation.~~

~~(b) — The Special Investment Fund~~

~~(i) — Background~~

~~The liabilities and assets of the Special Investment Fund are held outside of the Plan. The VER Program covers a closed group of Faculty members who had a Normal Retirement Date on or before July 1, 2005 and who made an election on or before July 1, 1997 to take early retirement within the 5-year period prior to their Normal Retirement Date. The VER Program enhanced the early retirement benefits payable from the Trent University Faculty Association Plan ("TUFA Plan"). As such, all the liabilities for which the Special Investment Fund has been established are in respect of retired participants. All of the retired participants are currently over age 65. Pension benefits payable under the VER Program are indexed after age 65 at the same rate as under the TUFA Plan.~~

~~(ii) — Contributions~~

~~Members do not contribute to the cost of the VER Program.~~

~~(iii) — Benefits~~

~~Eligible members were able to choose to elect to retire on any July 1 during the 5-year period preceding Normal Retirement Date. During each year of Voluntary Early Full Retirement, the member is to receive a Transition Pension equal to the pension that would have been paid, in accordance with the TUFA Plan, with the early retirement reduction waived, as if the member had continued in employment at the appropriate normal salary during the immediately preceding academic year. Ultimately, at the Normal Retirement Date, the member will receive the pension which would otherwise have~~

~~been payable had the option for Voluntary Early Full Retirement not been chosen.~~

~~(iv) — Liabilities~~

~~The average age of the VER members is approximately 79 so the expected time horizon for the VER Program liability is considerably shorter than for the TUFA Plan. With pension liabilities of this maturity, the plan will be forced to liquidate assets in order to pay benefits each year after such time that any funding ceases. Any indexation generated under the TUFA Plan from the excess investment earnings formula (4-year average pension fund investment returns in excess of 6.0%) is extended to pension benefits payable from the VER Program.~~

1.041.03 Objective of the Plan and Special Investment Fund

The objective of the Plan is to preserve the value of assets while waiting to confirm the wind-up liability and complete the distribution of the wind-up surplus. ~~to provide members of the Plan with retirement benefits prescribed under the terms thereof. The objective of the Special Investment Fund is to provide eligible members with a Transition Pension.~~

1.051.04 Investment and Risk Philosophy

The Plan's investment policy has been designed to preserve the value of assets while waiting to confirm the wind-up liability and complete the distribution of the wind-up surplus. ~~provide levels of return to finance defined benefit levels, which keep pace with inflation while maintaining stability of employee and employer contribution rates. The investment policy is also designed to help avoid actuarial deficits and excessive volatility in annual rates of return.~~

In order to achieve their ~~long-term investment goals,~~ the Plan and the Special Investment Fund must invest in assets that have uncertain returns, such as Canadian equities, foreign equities and non-government bonds. However, the University attempts to reduce the overall level of risk by investing in short term & cash equivalent investments. ~~diversifying among the asset classes and further diversifying within each individual asset class.~~

~~In order to meet the Plan's objectives, the long-term policy asset mix for the Plan's funds has a bias to equities.~~

~~The Special Investment Fund liability is being funded over a fixed period ending May 1, 2019. As a result of the relatively short funding amortization period and the mature nature of the liabilities, there is considerably less room for risk in this arrangement.~~

1.061.05 Administration

The Trent University Board of Governors (the "Board") is the legal administrator of the Plan. The Board has appointed an Audit and Investment Committee (the

"Committee") to whom the Board has delegated responsibilities related to the administration of the Plan ~~and the oversight of the Special Investment Fund~~. In addition, there is a pension subcommittee of the Management/Union joint committees for the Plan which the Board consults on certain matters as set out in the Plan.

~~committees for the Plan which the Board consults on certain matters as set out in the Plan.~~

Section 2—Asset Mix and Diversification Policy

2.01 Portfolio Return Expectations

The investment manager(s) appointed by the Committee to manage the investment of part or all of the assets of the Plan ~~and the Special Investment Fund~~ (the “Investment Manager”) is expected to achieve the objective of the Plan which is to preserve the value of assets while waiting to confirm the wind-up liability and complete the distribution of the wind-up surplus. a satisfactory return through a diversified portfolio, consistent with acceptable risks and prudent management.

The long-term target, measured over rolling four-year periods, is to achieve a total annual real rate of return (i.e. greater than the annual increase in the Total Consumer Price Index), net of all expenses, of at least 3.75%.

The four-year rolling period investment objective is to earn, gross of fees, the target policy benchmark return indicated in 4.02 below, plus or minus a tracking error of up to +/- 12 basis points per annum. The long-term asset mix policy has been established in order to provide a reference for long-term return requirements which are consistent with the Plan's and Special Investment Fund's liabilities at a risk level acceptable to the Committee.

2.02 Expected Volatility

The volatility of the Plan is directly related to its asset mix, ~~specifically, the balance between the asset classes chosen in the asset mix~~ reflected in Section 2.03 (Asset Mix) below. Since the Investment Manager does not have the authority to make any type of leveraged investment on behalf of the Plan, the volatility should be similar to the volatility of the Benchmark Portfolio set out in Section 4.02 (Performance Measurement).

2.03 Asset Mix

(a) Total Asset Mix

Taking into consideration the investment and risk philosophy of the Plan ~~and the Special Investment Fund~~, the following asset mixes (market value) have been established:

Assets	Minimum %	Benchmark %	Maximum %
Canadian Equities	20.0	30.0	40.0
U.S. Equities	12.5	15.0	17.5
Non-North American Equities	12.5	15.0	17.5
Total Equities	45.0	60.0	75.0

Bonds	26.5	36.5	46.5
Short Term Investments and Cash	<u>0.0</u> N/A	<u>3.5</u> <u>100</u>	<u>40.0</u> N/A
Total Fixed Income	26.5	40.0	56.5
Total:	N/A	100.0	N/A

Asset Class under Sub-section 76(12) of the Pension Benefits Act (Ontario)	Long Term Target Allocation	Accessed Through Pooled Funds (Y/N)
1. Insured Contracts	0.0%	-
2. Mutual or pooled funds or segregated funds	0.0%	-
3. Demand deposits and cash on hand	0.0%	-
4. Short-term notes and treasury bills	<u>3.5</u> <u>100.0</u> %	Y
5. Term Deposits and guaranteed investment certificates	0.0%	-
6. Mortgage Loans	0.0%	-
7. Real Estate	0.0%	-
8. Real Estate Debentures	0.0%	-
9. Resource properties	0.0%	-
10. Venture Capital	0.0%	-
11. Corporations referred to in subsection 11(2) of Schedule III to the federal investment regs	0.0%	-
12. Employer issued securities	0.0%	-
13. Canadian stocks other than investments referred to in 1 to 12 above	<u>30.00</u> .0%	<u>Y</u>
14. Non-Canadian stocks other than investments referred to in 1 to 12 above	<u>30.00</u> .0%	<u>Y</u>
15. Canadian bonds and debentures other than investments referred to in 1 to 12 above	<u>36.50</u> .0%	<u>Y</u>
16. Non-Canadian bonds and debentures other than investments referred to in 1 to 12 above	0.0%	-
17. Investments other than investments referred to in 1 to 16 above	0.0%	-

The minimum rating for target investment allocations of fixed income assets in these investment categories are as follows:

Credit Rating Agency	Rating – Bond Market Securities	Rating – Money Market Securities
Morningstar DBRS	BBBA	R-2 (middle)
Fitch Ratings	BBB-	F-3
Moody's Investors Services	Baa3A2	P-3
Standard & Poor's	BBB-A	A-3

Special Investment Fund:

Assets	Minimum %	Benchmark %	Maximum %
Canadian Equities	20.0	30.0	45.0
U.S. Equities	7.5	10.0	12.5
Non-North American Equities	7.5	10.0	12.5
Total Equities	35.0	50.0	70.0
Bonds	36.5	46.5	56.5
Short Term Investments and Cash	0.0N/A	3.5100	5.0N/A
Total Fixed Income	36.5	50.0	61.5
Total:	N/A	100.0	N/A

For the purpose of the total asset mixes described above, the Investment Manager's asset class pooled funds are deemed to be 100% invested, even though these funds may contain a portion held in cash and cash equivalent instruments.

~~In order to ensure that the Funds operate within the minimum and maximum ranges, the University shall monitor the asset mix on an on-going basis. In addition, the Committee shall review the asset mix at least quarterly. Re-balancing will be effected quarterly by the Investment Manager by redirecting net cash flows to and from the Funds and transferring cash or securities between portfolios, as required.~~

(b) Balanced Passive Investment Manager

~~The investment objective of the Investment Manager is to achieve the return~~

~~and risk profile of each asset class indicated in this Section 2.03, as represented by the benchmarks in Section 4.02 (Performance Measurement). It is also the responsibility of the Investment Manager to ensure that the Total Fund asset mix remains within the ranges established in this Section 2.03 above.~~

(c) Currency Hedging

~~In recognition that foreign equity investment carries with it potential risks related to currency exposure, the Plan has adopted a hedging policy, which the Committee may review from time to time. The current policy is to hedge one-half of the Plan's U.S. dollar exposure. Due to the diversification provided by indexed non-U.S. equities and the higher cost to hedge such currency exposure, the current policy is to leave exposure to non U.S. dollar currencies unhedged.~~

2.04 Management Structure

A passive management structure has been adopted for the Plan consisting of indexed portfolios for each of the asset classes in Section 2.03 (Asset Mix).

It is Trent University's view that passive management of fund assets best serves the interests of the plan membership because it protects the Funds from potential below-index returns that are experienced by many funds pursuing active management programs. Theory and experience have demonstrated that many active managers and active management programs do not consistently outperform suitably constructed market indices, net of associated fees and expenses. This was the University's twenty-year experience and the experience that motivated the move to passive from active management in 2009.

Active management programs can be successful but only for those organizations managing much larger asset pools and that have the requisite resources, organizational commitment and skills to find, hire and manage skill-based investment managers. All things considered, the Committee and the Board believe that passive management is prudent and will likely be more profitable after fees and expenses than active management over the long-term.

Section 3—Permitted and Prohibited Investments

3.01 General Guidelines

The investments of the Plan's funds must comply with the requirements and restrictions set out in the Federal Investment Regulations, the *Income Tax Act* (Canada) and the *Pension Benefits Act (Ontario)* and their respective Regulations. ~~As described in 1.01 above, the Special Investment Fund, due to a similar risk profile and similar return objectives, will also be governed to comply with these requirements and restrictions.~~

3.02 Permitted Investments

The Investment Manager ~~will invest the Fund's assets on a passive basis⁴ and~~ may invest in any of the following asset classes and investment instruments listed below:

~~(a) Canadian and Foreign Equities~~

- ~~(i) Common and convertible preferred stock.~~
- ~~(ii) Debentures convertible into common or convertible preferred stock provided such instruments are traded on a recognized public exchange or through established investment dealers.~~
- ~~(iii) Rights warrants and special warrants for common or convertible preferred stock,~~
- ~~(iv) Installment receipts, American Depositary Receipts and Global Depositary Receipts.~~
- ~~(v) Units of real estate investment trusts (REITs).~~
- ~~(vi) Units of income trusts domiciled in jurisdictions that provide limited liability protection to shareholders.~~

~~(b) Bonds~~

- ~~(i) Bonds, debentures, notes and other evidence of indebtedness of Canadian, supranational or developed market foreign issuers whether denominated and payable in Canadian dollars or a foreign currency.~~
- ~~(ii) Mortgage-backed securities.~~
- ~~(iii) Asset backed securities.~~

⁴ Except for cash and short term investments, which are not passively managed

~~(iv) — Term deposits and guaranteed investment certificates.~~

~~(v) — Private placements of bonds subject to Section 3.03 below, provided that they are marketable and meet the liquidity and minimum issue-size requirements for inclusion in the FTSE TMX Canada Universe Bond Index.~~

~~(i) — protection to shareholders.~~

~~(c)~~(a) Cash and Short Term Investments (not passively managed)

(i) Cash on hand and demand deposits.

~~(ii)~~ Canadian Treasury bills issued by the federal and provincial governments and their agencies.

~~(ii)~~ **Guaranteed investment certificates.**

~~(iii)~~ ~~(iv)~~ Sovereign short-term debt instruments of developed countries, with maturities not exceeding 18 months.

~~(iv)~~ ~~(v)~~ Obligations of trust companies and Canadian and foreign banks chartered to operate in Canada, including bankers' acceptances.

~~(v)~~ ~~(vi)~~ Commercial paper and term deposits.

~~(d)~~(b) Other Investments

(i) Investments in open-ended or closed-ended pooled funds provided that the assets of such funds are permissible investments under this Policy.

~~(ii)~~ — Deposit accounts of the custodian can be used to invest surplus cash holdings.

~~(iii)~~ — **Currency forward and futures contracts to hedge the currency risk of investment positions in non-Canadian dominated securities.**

~~(iv)~~ ~~(ii)~~ **Index-linked futures contracts/swaps are permissible derivative investments for stock/bond exposure.**

~~(e)~~(c) Pooled Funds

Investment in pooled funds is permissible subject to the prior approval of the Committee. While the guidelines in this Policy are intended to guide the management of the Funds, it is recognized that, where pooled funds are held, there may be instances where there is a conflict between this policy and the investment policy of a pooled fund. In that case, the pooled fund policy shall dominate, subject to the compliance reporting procedures outlined in Section 4.03 and Appendix A. However, the Investment Manager is expected to advise the Committee in the event of any material discrepancies between the above guidelines and the pooled fund's own

investment guidelines. In addition, the Investment Manager will ensure that the Committee has received a copy of the most recent version of the pooled fund policy and of any amendments made to the pooled fund policy.

(f)(d) Mutual Funds

Investment in mutual funds is permissible subject to the prior approval of the Committee. While the guidelines in this Policy are intended to guide the management of the Funds, it is recognized that, where mutual funds are held, there may be instances where there is a conflict between this Policy and the investment policy or prospectus of the mutual fund. In that case, the mutual fund policy shall dominate, subject to the compliance reporting procedures outlined in Section 4.03 and Appendix A. The Investment Manager is expected to advise the Committee in the event of any material discrepancies between the above guidelines and the pooled fund's own investment guidelines. In addition, the Investment Manager will ensure that the Committee has received a copy of the most recent version of the mutual fund policy and of any amendments made to the mutual fund policy.

(g)(e) Derivatives

The Fund may invest derivatives of equity, fixed-income or currency-related investments, futures and/or forward contracts, swaps, options, warrants, depository receipts, rights or other similar instruments are all permitted for the purposes of exposure and/or hedging. The exposure should be consistent with the Plan's investment objectives and guidelines laid out in this document.

Any derivative will be measured against its underlying exposure. Derivatives cannot be used for speculative purposes or to leverage the portfolio. Similarly, the Fund may indirectly invest in derivatives through its investment in pooled or mutual funds, if the objectives and strategies of these funds permit.

3.03 Minimum Quality Requirements

(a) Quality Standards

Within the investment restrictions for individual portfolios, all portfolios may hold a prudently diversified exposure to the intended market.

~~(i) — The minimum quality standard for individual bonds and debentures is 'BBB' rating or equivalent as rated by at least two of the three recognized bond rating Agencies at the time of purchase. Unrated bonds should be assigned a rating by the Investment Manager before purchase.~~

(ii)(i) The minimum quality standard for individual short term investments is 'R-1' or equivalent as rated by at least two of the three recognized bond rating agencies, at the time of purchase.

~~(iii) — The minimum quality standard for individual preferred shares is ‘P-1’ or equivalent as rated by at least two of the three recognized bond-rating agencies, at the time of purchase.~~

~~(ii) — All investments shall be reasonably liquid.~~

~~(b) Split Ratings~~

~~In cases where recognized bond rating agencies do not agree on the credit rating, the bond will be classified according to the methodology used by FTSE TMX, which states~~

~~(i) — If two agencies rate a security, use the lower of the two ratings;~~

~~(ii) — If three ratings agencies rate a security, use the most common; and~~

~~(iii) — If all three ratings disagree, use the middle rating.~~

~~(c) Downgrades in Credit Quality~~

~~(i) — An active Investment Manager, based on their own internal credit analysis, may invest in fixed income securities with credit ratings that do not meet the Quality Standards described above in Section 3.03 (a), as rated by the Recognized Rating Agencies described in 3.03 (d), provided that they supply a detailed report on the credit ratings for fixed income securities in the portfolio or pooled fund in question, at least semi-annually.~~

~~(ii) — A passive Investment Manager will not comply with the above notification requirements. Their reporting will be limited to the compliance reporting as described under Section 4.03.~~

~~(d)~~(b) Rating Agencies

For the purposes of this Policy, the following rating agencies shall be considered to be ‘a recognized bond rating agency’:

(i) ~~Dominion Bond Rating Service (Canadian issuers only)~~Morningstar DBRS;

(ii) Standard and Poor’s; and

(iii) Moody’s Investors Services; and,

~~(iv) — Fitch Ratings (foreign issuers only).~~

~~(e)~~(c) Derivatives

The Fund may indirectly invest in derivatives through its investment in pooled or mutual funds, if the objectives and strategies of these funds permit.

~~Derivative instruments utilized by the Funds, or on the Funds' behalf, shall only be entered into with a major financial institution acting as counterparty, with a long-term credit rating of at least 'A' from Standard and Poor's or equivalent rating as rated by another rating agency.~~

For both direct and indirect utilization of derivatives, the exposure to the derivatives must be subject to limits based on the intended use and strategies for derivatives, and the risks associated with them. Investment in derivatives must also comply with all applicable statutory provisions and regulations, including the Prudent Person Rule, and must be invested and managed in accordance with regulatory derivatives best practices.

~~(f)~~(d) **Environmental, Social and Governance Factors**

"ESG" refers to the environmental, social and governance factors relevant to an investment that may have a financial impact on that investment.

~~The Board's primary objective is to ensure an appropriate balance between the need to preserve the value of assets while waiting to confirm the windup liability and complete the distribution of the windup surplus and to optimize short-term return on investment.~~

~~Alongside this primary objective, the University is committed to being actively engaged in contributing to climate change abatement and environmental sustainability, and to being responsive to select donor interest in socially responsible investment options. Investment managers are reviewed with ESG principles in mind. The intention is to see that investment managers do incorporate ESG considerations into the investment decision making process for their funds, alongside the achievement of the primary objectives described above.~~

~~The Committee believes that consideration of ESG factors into the investment process and manager selection is in line with the core beliefs and key areas that are of importance to the University.~~

~~Consistent with its obligation to act in the best interest of the Plan and its members, the Board chooses Investment Funds that it believes will deliver superior financial performance over the longer term. The Board believes that ESG issues can have a material impact on the value of the companies and securities that comprise investment funds, and that ESG risks and opportunities should offer commensurate long-term reward potential. The primary responsibility of the Board requires that there be an appropriate balance between the need to seek long-term investment returns to help secure promised pensions for all members of the Plan and the needs for those returns to be delivered in as stable a manner as possible to limit downward impact (given the nature and behaviour of the investment markets).~~

~~Notwithstanding the foregoing, the Administrator does not take environmental, social or governance factors ("ESG factors") directly into~~

account when making investment decisions for the Plan. The Board recognizes; however, that some fund managers may consider ESG factors as a way of determining which investments will have the best economic outcome, but this is not a factor considered by the Board when choosing fund managers nor are the fund managers instructed to monitor the policies and practices of the various investments relating to ESG factors. In order to protect and enhance the value of the fund's investments, when choosing fund managers, the Board considers criteria that include the Investment Manager's business, staff, historical performance, and investment process. The Committee neither favours nor avoids asset managers based on ESG integration in their management style. However, the Committee believes asset managers may take account of ESG factors to the extent that these are relevant in meeting the above goals.

3.04 Maximum Quantity Restrictions

(a) Total Fund Level

The administrator of the Plan shall not directly or indirectly lend or invest moneys equal to more than 10% of the total market value of the ~~p~~Plan's assets in any one person, two or more associated persons or two or more affiliated corporations.

(b) Individual Investment Manager Level

The Investment Manager shall adhere to the following restrictions ~~for each of the Funds:~~

~~(i)~~ (i) Equities

- ~~(A) No one equity holding or private placement shall represent more than 10% of the total market value of the Investment Manager's equity portfolio.~~
- ~~(B) No one equity holding shall represent more than 10% of the voting shares of a corporation.~~
- ~~(C) No one equity or private placement holding shall represent more than 10% of the available public float of such equity or private placement security.~~
- ~~(D) No more than 15% of the Canadian equity portfolio shall be invested in income trusts and limited partnerships.~~

~~(ii)~~ (i) Bonds and Short Term

- (A) Except for federal and provincial bonds, no more than 10% of an Investment Manager's bond portfolio may be invested in any one company or affiliated group of companies.
- (B) No more than 15% of the market value of a manager's bond portfolio shall be invested in bonds rated 'BBB'.
- (C) Net foreign currency exposure is limited to no more than 5% of the market value of the bond portfolio.
- (D) No more than 20% of the market value of the bond portfolio may be held in foreign issuer bonds.
- (E) No more than 10% of the market value of the bond portfolio shall be invested in direct mortgages backed by Canadian real estate.

~~(iii)~~(ii) Pooled Funds

The investment by the University in a pooled fund may not exceed 10% of the market value of the pooled fund.

~~(iv)~~(iii) Other

The use of derivative securities shall be supported at all times by the explicit allocation of sufficient assets to back the intended derivative strategy. For greater certainty, the Investment Manager is not permitted to leverage the assets of the Funds. The use of derivative securities is only permitted for the uses described in this Policy. Purchase or sale of any of these instruments cannot expose the Funds to any more risk than the cash market.

3.05 Prior Permission Required – Section intentionally deleted

~~The following investments are permitted provided that prior permission for such investments has been obtained from the Committee:~~

- ~~(a) — Direct investments in resource properties;~~
- ~~(b) — Direct investments in real estate;~~
- ~~(c) — Direct investments in venture capital financing;~~
- ~~(d) — Investments in a pooled fund that conflicts with this Policy;~~
- ~~(e) — Investments in private placement equities;~~
- ~~(f) — Derivatives other than those otherwise permitted by this Policy;~~
- ~~(g) — Commercial and residential mortgages secured against Canadian real estate;~~
- ~~(h) — Units of limited partnerships which are listed on the TSX exchange.~~
- ~~(i) — Private Placement Bonds~~

~~Private placement bonds that do not qualify for inclusion in the FTSE TMX-Canada Universe Bond Index are only permitted subject to all of the following conditions:~~

- ~~(i) — The issues acquired must be at least 'A' or equivalent rated;~~
- ~~(ii) — The total investment in such issues must not exceed 10% of the market value of the Investment Manager's bond portfolio;~~
- ~~(iii) — The Investment Manager's portfolio may not hold more than 5% of the market value of any one private placement; and~~

- ~~(iv) — The Investment Manager must be satisfied that there is sufficient liquidity to ensure sale at a reasonable price.~~

3.06 Prohibited Investments

The Investment Manager shall not:

- (a) Invest in companies for the purpose of managing them;
- (b) Purchase securities on margin or engage in short sales;
- (c) Invest in debt instruments issued by the University; or,
- ~~(d) — Make any investment not specifically permitted by this Policy.~~

~~3.07 Securities Lending~~

~~The investments of the Funds Plan may be loaned, for the purpose of generating revenue for the Funds Plan, subject to the provisions of the Pension Benefits Act (Ontario), the Income Tax Act (Canada) and their applicable Regulations, as applicable.~~

~~Such loans must be secured by cash and/or readily marketable government bonds, treasury bills and/or letters of credit, discount notes, banker's acceptances of Canadian chartered banks or high quality, liquid equities. The amount of collateral taken for securities lending should reflect OSFI standards and best practices in local markets. This market value relationship must be calculated at least daily.~~

~~The terms and conditions of any securities lending program will be set out in a contract with the Custodian. The Custodian shall, at all times, ensure that the Administration of the University has a current list of those institutions that are approved to borrow the Funds' investments. If the Plan's fFunds are invested in a pooled fund, security lending will be governed by the terms and conditions set out in the pooled fund contract.~~

~~(d) —~~

~~3.08~~ 3.07 Borrowing

The ~~Funds Plan~~ shall not borrow money, except to cover short-term contingency and the borrowing is for a period that does not exceed ninety days, subject to the *Pension Benefits Act (Ontario)* and the *Income Tax Act*, as applicable, and only with the written permission of the Board.

Section 4—Monitoring and Control

4.01 Delegation of Responsibilities

The Board has responsibility for the Plan ~~and Special Investment Fund~~ as stated in Section 1.05 of this Policy. The Committee assists the Board in fulfilling its fiduciary duties and provides direction to the senior University official with respect to the Funds. The Committee may also hire or terminate the Investment Manager(s) at its discretion.

The Committee has delegated certain functions relating to the management and administration of the Funds to external organizations, as outlined below:

(a) Investment Manager

The Investment Manager will:

- (i) Invest the assets of the ~~Funds~~ Plan in accordance with this Policy;
- (ii) Meet with the Committee as required and provide written reports regarding their past performance, their future strategies and other issues requested by the Committee;
- (iii) File quarterly compliance reports, unless the investment is in a mutual fund (see section 4.03);
- (iv) Reconcile their own records with those of the custodian, at least monthly;
- (v) Provide quarterly a performance report in a form acceptable to the Committee. The performance should be provided for the total portfolio managed by the Investment Manager and for each major asset class; and,
- (vi) Where investment via a pooled fund has been authorized by the Committee, the Investment Manager will provide the Committee with copies of each pooled fund's audited financial statements within 180 days of the pooled fund's fiscal year end.

(b) Custodian/Trustee

The custodian/trustee will:

- (i) Maintain safe custody over the assets of the ~~Funds~~ Plan;
- (ii) Execute the instructions of the Board, the Committee and the Investment Manager; and,
- (iii) Record income and provide monthly financial statements to the University or as required.

(c) Actuary

The actuary will:

- (i) Perform actuarial valuations of the Plan and Special Investment Fund as required;
- (ii) Advise the Committee on any matters relating to the Plan design, membership and contribution rates; and
- (iii) Assist the Committee in any other way required.

4.02 Performance Measurement

For purposes of evaluating the performance of the ~~Funds-Plan~~ and the Investment Manager, all rates of return are measured on an ongoing basis, ~~over-rolling four-year periods~~, and on a time-weighted return basis. Return objectives for the Investment Manager are gross of fees and include realized and unrealized capital gains or losses plus income from all sources.

(a) Total Fund

The absolute performance objective of the Plan and Special Investment Fund is to outperform the CPI by at least 3.75% over four-year rolling period ~~track the corresponding benchmark set below. In addition, investment weightings and results of the Funds are to be tested regularly against a Benchmark Portfolio comprising:~~

Benchmark	%
S&P/TSX Composite Index	30.0
S&P 500 Index (C\$)	7.5
S&P 500 Hedged Index (C\$)	7.5
MSCI EAFE Index (C\$)	15.0
FTSE TMX Canada Universe Bond Index	36.5
FTSE TMX Canada 91-day Treasury Bill Index	<u>3.5</u> <u>100.0</u>

Special Investment Fund:

Benchmark	%
S&P/TSX Composite Index	30.0
S&P 500 Index (C\$)	5.0
S&P 500 Hedged Index (C\$)	5.0
MSCI EAFE Index (C\$)	10.0
FTSE TMX Canada Universe Bond Index	46.5
FTSE TMX Canada 91-day Treasury Bill Index	3.5

(b) Balanced Passive Investment Manager

The investment objective of the Investment Manager is to achieve the annual market rate of return for each asset class component within the following tracking variance ranges over four-year rolling periods:

The Contributory Pension Plan for Employees Represented by Ontario Public Sector Employees Union (OPSEU) Local 365 and Exempt Administrative Staff of Trent University and Special Investment Fund:

Benchmark	Tracking Variance (+/- %)
S&P/TSX Composite Index	0.12
S&P 500 Total Return Index (C\$)	0.12
S&P 500 Total Return Hedged Index (C\$)	0.15
MSCI EAFE Index (C\$)	0.20
FTSE TMX Canada Universe Bond Index	0.08
FTSE TMX Canada 91-day Treasury Bill Index	-10/+50

4.03 Compliance Reporting by the Investment Manager

The Investment Manager is required to complete and deliver a compliance report to the Committee each quarter (a sample is included in Appendix A). The compliance report will indicate whether or not the Investment Manager was in compliance with this Policy during the quarter.

In the event that an Investment Manager is not in compliance with this Policy, the Investment Manager is required to advise the Committee immediately, detail the nature of the non-compliance and recommend an appropriate course of action to remedy the situation.

The Funds-Plan may invest in pooled funds with separate investment policies. Should a conflict arise between those investment policies and this Policy, the Investment Manager is required to advise the Committee as per section 3.02(e).

The Funds-Plan may invest in mutual funds with separate fund prospectuses. In this case, at inception the Investment Manager is required to provide the prospectus to the Committee and identify any areas in which the investment policy of the mutual fund may not be fully compliant with this Policy. Subsequent to this initial disclosure, the Investment Manager must notify the Committee if it is not in compliance with its own policy or fund prospectus.

4.04 Standard of Professional Conduct

All professional service providers are expected to comply with the standards of their professions and general prudence.

The Investment Manager will manage each Fund with the care, diligence and skill that an investment manager of ordinary prudence would use in dealing with similar pension or investment funds. The Investment Manager will also use all relevant knowledge and skill that it possesses or ought to possess as a prudent investment manager.

Section 5—Administration

5.01 Conflicts of Interest

(a) Responsibilities

This standard applies to members of the Board and its Committee, members of all other committees involved in supporting the work of the Plan ~~and Special Investment Fund~~, and all administrators and agents employed by the University (e.g. Investment Manager, trustees, actuaries, consultants) to support the work of the Plan ~~and Special Investment Fund~~, in the execution of their responsibilities under the *Pension Benefits Act (Ontario)* if applicable and this Policy (the “Affected Persons”).

An “agent” is defined to mean an organization, association or individual, as well as its employees who are retained by the Committee to provide specific services with respect to the investment, administration and management of the assets of the Funds.

(b) Disclosure

In the execution of their duties, the Affected Persons shall disclose any material conflict of interest relating to them, or any material ownership of securities, which could impair their ability to render unbiased advice, or to make unbiased decisions, affecting the administration of the Funds’ assets.

Further, it is expected that no Affected Person shall make any personal financial gain (direct or indirect) because of his or her fiduciary position. However, normal and reasonable fees and expenses incurred in the discharge of their responsibilities are permitted if documented and approved by the University.

No Affected Person shall accept a gift or gratuity or other personal favour, other than one of nominal value, from a person with whom the employee deals in the course of performance of his or her duties and responsibilities for the Funds.

It is incumbent on any Affected Person who believes that he or she may have a conflict of interest, or who is aware of any conflict of interest, to disclose full details of the situation to the attention of the Committee immediately. The Committee, in turn, will decide what action is appropriate under the circumstances but, at a minimum, will table the matter at the next regular meeting of the Committee.

An Affected Person who has or is required to make a disclosure as contemplated in this Policy shall normally withdraw from the meeting until the issue causing the conflict has been dealt with. He or she may be present at, or take part in the discussions on the issue causing the conflict only if the voting members of the Committee unanimously agree that circumstances warrant such participation. Regardless of the position taken by the

Committee, an individual member may still elect to suspend all activities relating to the conflict. In no case is a member permitted to vote on any resolution to approve a contract or investment transaction in which he or she has a material interest.

Notwithstanding the above, the parties listed above may, instead of adhering to this Conflict of Interest Policy, adhere to an alternate Conflict of Interest Policy that the University and the Board deem reasonable.

5.02 Related Party Transactions

The University, on behalf of the Plan ~~or Special Investment Fund~~, may not enter into a transaction with a related party unless:

- a) The transaction is made for the operation or administration of the Plan ~~or Special Investment Fund~~ under terms and conditions that are not less favourable to the Plan ~~or Special Investment Fund~~ than market terms and conditions and such transaction does not involve the making of loans to, or investments in, the related party; or
- b) The combined value of all transactions with the same related party is nominal or the transaction(s) is immaterial to the Plan ~~or Special Investment Fund~~.

For the purposes of this section, only the market value of the combined assets of the Plan ~~or Special Investment Fund~~ shall be used as the criteria to determine whether a transaction is nominal or immaterial to the Plan ~~or Special Investment Fund~~. Transactions less than 0.5% of the combined market value of the assets of the Plan ~~or Special Investment Fund~~ are considered nominal.

In addition, the prohibition to entering into transactions with a related party does not apply to investments:

- a) In an investment fund (as that term is defined in Schedule III to the *Pension Benefits Standards Regulations, 1985 (Canada)*) or segregated fund in which investors other than the Administrator and its affiliates may invest and that complies with the requirements set out in Sections 9 and 11 of Schedule III to the *Pension Benefits Standards Regulations, 1985 (Canada)*.
- b) In an unallocated general fund of a person authorized to carry on a life insurance business in Canada;
- c) In securities issued or fully guaranteed by the Government of Canada, the government of a province, or an agency of either one of them;
- d) In a fund composed of mortgage-backed securities that are fully guaranteed by the Government of Canada, the government of a province, or an agency of either one of them;

- e) In a fund that replicates the composition of a widely recognized index of a broad class of securities traded at a marketplace (as that term is defined in the *Pension Benefits Standards Regulations, 1985 (Canada)*); and
- f) That involve the purchase of a contract or agreement in respect of which the return is based on performance of a widely recognized index of a broad class of securities traded at a marketplace (as that term is defined in the *Pension Benefits Standards Regulations, 1985 (Canada)*).

A “related party” in respect of the Plan ~~or Special Investment Fund~~ means:

- a) A person who is the administrator of the Plan ~~or Special Investment Fund~~ including any officer, director or employee of the administrator. It also includes the Managers and their employees, a union representing employees of the employer, a member of the Plan ~~or Special Investment Fund~~, a spouse or child of the persons named previously, or a corporation that is directly or indirectly controlled by the persons named previously, among others. Related party does not include government or a government agency, or a bank, trust company or other financial institution that holds the assets of the Plan ~~or Special Investment Fund~~, where that person is not the administrator of the Plan ~~or Special Investment Fund~~;
- b) An officer, director or employee of one of the administrators of the Retirement Program;
- c) A person responsible for holding or investing the assets of the Plan ~~or Special Investment Fund~~, or any officer, director or employee thereof;
- d) An association or union representing employees of the University, or an officer or employee thereof;
- e) A member of the Plan ~~or Special Investment Fund~~;
- f) The spouse or child of any person referred to in any of paragraphs (a) to (e);
- g) An affiliate of the University;
- h) A corporation that is directly or indirectly controlled by a person referred to in any of paragraphs (a) to (f),
- i) An entity in which a person referred to in paragraph (a), (b), or (e), or the spouse or a child of such a person, has a substantial investment, and/or
- j) An entity that has made a substantial investment in the University.

5.03 Appointing and Monitoring the Investment Manager

In accordance with its terms of reference, the Committee is responsible for the appointment of the Investment Manager and is not required to obtain the approval of the Board before appointing any Investment Manager. The committee will monitor and review the:

- (a) Assets and net cash flow of the FundsPlan;
- (b) Investment Manager's financial stability, staff turnover, consistency of style and record of service;
- (c) Investment Manager's current economic outlook and investment strategies;
- (d) Investment Manager's compliance with this Policy where a manager is required to complete and sign a compliance report; and,
- (e) Investment performance of the assets of the Funds-Plan in relation to the rate of return expectations outlined in this Policy, on a quarterly basis.

5.04 Dismissal of an Investment Manager

It is the responsibility of the Committee to monitor the performance of the Investment Manager and to remove any Investment Manager where necessary, in accordance with this Section. Reasons for considering the termination of the services of an Investment Manager include, but are not limited to, the following factors:

- (a) Changes in the overall structure of a Fund's-Plan's assets such that the Investment Manager's services are no longer required;
- (b) Change in personnel, firm structure or investment philosophy which might adversely affect the potential return and/or risk level of the portfolio;
- (c) Performance results which are below the stated performance benchmarks; and/or
- (d) Failure to adhere to this Policy.

When one of these or any other serious concern arises, the Committee will normally request a special meeting with the Investment Manager to discuss the issue. In any such case, the Committee may recommend corrective action up to and including termination of the services of the Investment Manager. The Committee is not required to obtain Board approval to terminate the services of an Investment Manager.

5.05 Voting Rights

The Board has delegated voting rights acquired through the investments held by the Funds-Plan to the custodian of the securities to be exercised in accordance with the Investment Manager's instructions. The Investment Manager is expected to exercise all voting rights related to investments held by each of the Fundsthe Plan in the interests of the members of that plan ~~or fund~~. Upon request, the Investment Manager shall report their voting activities to the Committee.

The Board reserves the right to take-back voting rights of assets held in segregated portfolios for specific situations.

5.06 Valuation of Investments Not Regularly Traded

The following principles will apply for the valuation of investments that are not traded regularly:

Section intentionally left blank

~~(a) Equities~~

~~Average of bid and ask prices from two major investment dealers, at least once every month.~~

~~(b) Bonds~~

~~Same as for equities.~~

~~(c) Mortgages~~

~~Unless in arrears, the outstanding principal plus/minus the premium/discount resulting from the differential between face rate and the currently available rate for a mortgage of similar quality and term, determined at least once every month.~~

~~(d) Real Estate~~

~~A certified written appraisal from a qualified independent appraiser at least every two years.~~

5.07 Policy Review

This Policy must be formally reviewed by the Committee at least annually and may be amended by the Board at any time. A copy of the most current Policy is to be provided to the actuary and Investment Manager

Appendix A—Compliance Reports

The Contributory Pension Plan for Employees Represented by Ontario Public Sector Employees Union (OPSEU) Local 365 and Exempt Administrative Staff of Trent University Passive Balanced Manager Compliance Report for the period (date).

[Private] Asset Mix (at Market Value)	Guidelines (%)	Policy Complied With (Yes/No)
Equities	1. Canadian: 20-40 2. U.S.: 12.5-17.5 3. Non-North American: 12.5-17.5	1. <input type="checkbox"/> Yes <input type="checkbox"/> No Specifics: 2. <input type="checkbox"/> Yes <input type="checkbox"/> No Specifics: 3. <input type="checkbox"/> Yes <input type="checkbox"/> No Specifics:
Fixed Income	1. Bonds: 26.5-46.5 2.1. Short-term & Cash: 0-10100%	1. <input type="checkbox"/> Yes <input type="checkbox"/> No Specifics: 2.1. <input type="checkbox"/> Yes <input type="checkbox"/> No Specifics:

* If policy not complied with, comment on specifics

The undersigned hereby confirms that throughout the reporting period noted above:

1. The management of the Pooled Funds was in accordance with all the terms, conditions and guidelines stipulated in the Pooled Funds' Confidential Offering Circular dated _____ or Simplified Prospectus dated _____ (the "Policy").

If not, attached are details of what activities were outside the Policy guidelines, the consequence of such activities to the Pooled Funds, and the actions taken to remedy the situation.

2. The Pooled Funds were managed in compliance with provisions of the income tax, pension and other legislation, as applicable, which govern the investment of assets.

If not, attached are details of any non-compliance issues.

3. The Policy was not amended during the reporting period.

If the Policy was amended, Trent University was notified in writing of such amendments on

4. The Investment Manager has complied with the Standard of Professional Conduct contained in Section 4.04 of this Statement of Investment Policies & Procedures.

If not, attached are details of any non-compliance issues.

5. The manager and/or its professional staff are not currently under investigation by any regulatory authority.

If yes, attached are details of such investigations.

Completed by:

Signed by:

Trent University Special Investment Fund

~~Passive-Balanced Manager Compliance Report for the period (date):~~

[Private] Asset Mix (at Market Value)	Guidelines (%)	Policy Complied With (Yes/No)
Equities	1. Canadian: 20-45 2. U.S.: 7.5-12.5 3. Non-North American: 7.5-12.5	1. <input type="checkbox"/> Yes <input type="checkbox"/> No Specifics: 2. <input type="checkbox"/> Yes <input type="checkbox"/> No Specifics: 3. <input type="checkbox"/> Yes <input type="checkbox"/> No Specifics:
Fixed Income	1. Bonds: 36.5-56.5 2. Short-term & Cash: 100%0-5	1. <input type="checkbox"/> Yes <input type="checkbox"/> No Specifics: 2. <input type="checkbox"/> Yes <input type="checkbox"/> No

		Specifics:
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~~* If policy not complied with, comment on specifics~~

~~The undersigned hereby confirms that throughout the reporting period noted above:~~

~~1. The management of the Pooled Funds was in accordance with all the terms, conditions and guidelines stipulated in the Pooled Funds' Confidential Offering Circular dated _____ or Simplified Prospectus dated _____ (the "Policy").~~

~~If not, attached are details of what activities were outside the Policy guidelines, the consequence of such activities to the Pooled Funds, and the actions taken to remedy the situation.~~

~~2. The Pooled Funds were managed in compliance with provisions of the income tax and other legislation, as applicable, which govern the investment of assets.~~

~~If not, attached are details of any non-compliance issues.~~

~~3. The Policy was not amended during the reporting period.~~

~~If the Policy was amended, Trent University was notified in writing of such amendments on~~

~~4. The Investment Manager has complied with the Standard of Professional Conduct contained in Section 4.04 of this Statement of Investment Policies & Procedures.~~

~~If not, attached are details of any non-compliance issues.~~

~~5. The manager and/or its professional staff are not currently under investigation by any regulatory authority.~~

~~If yes, attached are details of such investigations.~~

Completed by:

Signed by:

Appendix B—Glossary of Terms

As used in this Policy:

Active Management

Managing the investments of a fund with the objective of outperforming the return of a broad-based index or combination of broad based indices.

Administrator

Person or persons that administer the pension plan.

American Depositary Receipt (ADR)

Receipt for the shares of a foreign-based corporation held in the vault of a U.S. bank and entitling the shareholder to all dividends and capital gains.

Asset

Anything having exchange value.

Asset Classes

Groups of securities or assets with similar characteristics. These may be broadly defined (equities, bonds) or more narrowly defined (Canadian small cap equities, Real Return Bonds).

Basis Point

One-one hundredth of one percent (0.01%).

Bond

Any interest-bearing or discounted government or corporate security that obligates the issuer to make specified payments of interest and principal to the holder over a specified period.

Book Value

The acquisition cost of an asset, including all direct costs associated with the acquisition, prior to any external financing.

Common Stock

Units of ownership of a public corporation where owners typically are entitled to vote on the selection of directors and other important matters as well as to receive dividends on their holdings, and in the event that a corporation is liquidated, the claims of secured and

unsecured creditors and owners of bonds and preferred stock take precedence over the claims of those who own common stock.

Consumer Price Index (CPI)

The Consumer Price Index for Canada as published by Statistics Canada under the authority of the Statistics Act (Canada).

Custodian

A bank or other financial institution that holds the investment assets of the Plan.

Debenture

A general debt obligation backed only by the integrity of the borrower and documented by an agreement called an indenture.

Derivative Instruments or Securities

Financial contracts that derive their value from the value of an underlying asset (such as a financial instrument, index, or commodity) through contractual relationships. Derivatives include forwards, swaps, futures, options and warrants.

FTSE TMX Canada Universe Bond Index

An index maintained by FTSE TMX that covers all marketable Canadian bonds with term to maturity of more than one year. The purpose of the index is to reflect the performance of the broad Canadian bond market, including federal, provincial and municipal government issues, as well as corporate issues.

FTSE TMX Canada 91-day T-Bill Index

An index maintained by FTSE TMX that covers Canadian Treasury Bills. The index is constructed by selling and repurchasing Government of Canada T-bills with an average term to maturity of 91 days.

Diversification

The spreading of risk by investing assets in different categories of investments.

Duration

The weighted-average time (in years) to cash flow recovery.

Equity

The ownership interest possessed by a shareholder in a corporation - stocks as opposed to bonds.

Foreign Equity

Ownership in non-Canadian stocks.

Foreign Exchange Contract

A contract for the immediate (spot) delivery of a specified amount of foreign currency in exchange for Canadian dollars.

Forwards

Any over-the-counter (OTC) contract, which calls for the delivery of an underlying asset, for a specified price (the forward delivery price), to be delivered at contract maturity.

Futures

Any exchange-traded contract, which calls for the delivery of an underlying asset at a predetermined maturity date, for a pre-specified price (the futures delivery price), to be delivered at contract maturity.

Funded Position

The ratio of the Plan's ongoing assets to its ongoing liabilities.

Global Depositary Receipt

A receipt denoting ownership of foreign-based corporation stock shares, which are traded in numerous capital markets around the world.

Income Tax Act (ITA)

The *Income Tax Act (Canada)* and the regulations made thereunder, as amended from time to time.

Income Trust

An investment structured as a trust that invests in income-producing assets where the revenues, net of expenses, are distributed to investors.

Index

A statistical composite that measures changes in the economy or in financial markets, often expressed in percentage changes from a base year or from the previous month.

Indexing

Tying pension benefits to an index, such as the CPI.

Inflation

The rise in the prices of goods and services.

Investment Manager

An investment counselor who is an individual or company with the responsibility for providing investment advice to clients and executing discretionary investment decisions.

Liquidity

- a) The characteristics of a security or commodity with enough units outstanding to allow large transactions without a substantial drop in price, and
- b) The ability of an individual or company to convert assets into cash or cash equivalents without a significant loss.

Market Value

The most probable price that would be obtained for property in an arm's length sale in an open market under conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably and willingly.

MSCI EAFE Index

An index maintained by MSCI, the MSCI EAFE Index is free float-adjusted market capitalization index that is designed to measure developed market equity performance globally, excluding North America.

Mortgage

A debt instrument by which the borrower (mortgagor) gives the lender (mortgagee) a lien on property as security for the repayment of a loan.

Options

Any contract granting the purchaser of the contract, the right, but not the obligation, to exercise or fulfill the terms and conditions specified in the contract.

Passive Management

Managing the investments of a fund with the objective of matching the return of a broad-based index such as the S&P/TSX Composite Index.

Pension Benefit Act (Ontario)

The *Pension Benefit Act (Ontario)* and the regulations made thereunder, as amended from time to time.

Policy

The Statement of Investment Policies and Procedures for the Trent University Pension Plan.

Preferred Stock

A class of capital stock that pays dividends at a specified rate, usually does not have voting rights and that has preference over common stock in the payment of dividends and the liquidation of assets.

Private Placement

Stocks, bonds or other investments that are issued directly to an institutional investor and are not publicly traded.

Real Estate

Investments with returns derived from rental incomes from properties and gains from development, redevelopment and/or sale of properties including office buildings, multi-unit residential buildings and retail space.

Resource Property

Any property that is,

- a) A right, license or privilege to explore for, drill for or take petroleum, natural gas or related hydrocarbons;
- b) A right, license or privilege to;
 - i. Store underground petroleum, natural gas or related hydrocarbons; or
 - ii. (Prospect, explore, drill or mine for minerals in a mineral resource;
- c) An oil or gas well or real property, of which the principal value depends on its petroleum or natural gas content, excluding any depreciable property used or

to be used in connection with the extraction or removal of petroleum or natural gas there from;

- d) A real property, of which the principal value depends on its mineral resource content, excluding any depreciable property used or to be used in connection with the extraction or removal of minerals there from; or
- e) A right to or interest in any property described in clause (a) to (d) above.

S&P/TSX Composite Index

An index maintained by the S&P/TSX Canadian Index Policy Committee that measures the return on the largest companies that trade on the Toronto Stock Exchange. The index is float-weighted and calculated on a total return basis with dividends reinvested.

S&P/TSX Composite Capped Index

Contains all the constituents of the S&P/TSX Composite Index, with weight of any single index constituent capped at 10 percent.

S&P 500 Index

An index maintained by the Standard & Poors U.S. Index Committee, this widely recognized index measures the performance of 500 large cap U.S stocks.

Securities Lending Agreement

An agreement entered into by the trustees of Trent University and a borrower of the securities outlining the terms of the loan.

Security

Any document, instrument or writing commonly known as a security and includes a share of any class or series of shares or a debt obligation of a corporation, a certificate evidencing such a share or debt obligation and a warrant.

Segregated Fund or Portfolio

A fund established by a sponsor that is duly authorized to operate a fund in which money from one or more contributors is accepted for investment and the assets of the fund are maintained by the sponsor as separate and distinct from the general funds of the sponsor.

Supranational bonds

Debt issued by supranational organizations such as the World Bank (IBRD), the European Development Bank (EIB) or Inter-American Development Bank (IADB).

Total Fund Benchmark

A portfolio that represents the long-term asset allocation set by the Board of Governors in order to meet the portfolio return expectations.

Warrant

A type of security, usually issued together with a bond or preferred stock that entitles the holder to buy a proportionate amount of common stock at a specified price, usually higher than the market price at the time of issuance, for a period of years or to perpetuity.



Board Report

Session: ☐ Closed Session; ☒ Open Session

Action Requested: ☒ Decision; ☐ Discussion/Direction; ☐ Information

To: Board of Governors

Date: February 7, 2025

Presented by: Valentine Lovekin, Chair, Nominating & Governance Committee
Brenda Blackburn, University Secretary

Subject: **Special Resolution III.1 – Appointment of Members of the
Board of Governors**

Motion for Consideration (if applicable):

That the Board of Governors approve revisions to Special Resolution III.1 - Appointment of Members of the Board of Governors as presented (or amended).

Executive Summary:

At the September 28, 2023, meeting of the Nominating and Governance Committee, it was suggested that policies should be reviewed on an ongoing basis. It was recommended that a schedule be developed and incorporated into work plans to ensure all policies get reviewed on a rotating basis. As per the schedule, Special Resolution III.1 – Appointment of Members of the Board of Governors underwent a review by the University Secretariat.

Special Resolution III.1 – Appointment of Members of the Board of Governors

Following consultation with the Council of Ontario University Secretaries, it was noted that faculty and staff appointments in the province were typically restricted to not allow appointments of individuals who hold short-term contracts. The purpose of this is to reduce the potential for mid-term vacancies and leaves of absence when between contracts. As a result, the Secretariat is proposing that faculty and staff candidates must have an employment contract that would fulfil the length of the appointment, at a minimum, to be eligible for election. For similar reasoning, it is recommended that student appointees intend to be enrolled for the duration of their appointment. In an effort to widen the community perspective brought to the Board, and consistent with Trent's other governance body (Senate) whose membership dictates "such that there are members from each of the academic divisions"; the proposed revisions include a requirement that faculty and staff appointees be from different academic divisions or administrative units and that the terms for faculty, staff, and students be limited to six consecutive years (i.e. 2 re-elections) similar to external members of the board, to allow

others the opportunity to participate in governance. A final change was to adjust the timelines for filling vacancies in designated seats. The current six months can be problematic with the need for a by-election, as we may only be able to appoint someone to the seat in time to attend two meetings, with no time for the member to be oriented.

Analysis/Alternatives Considered:

As referenced in the Nominating & Governance Workplan the following policies are to be reviewed by the Nominating and Governance Committee during the 2024-2025 cycle:

- SR III.1 - Appointment of Members of the Board of Governors
- SR III.3 – Removal of Inactive Board Members
- SR IV.5 - Senate Representatives

Financial Implications:

None

Enterprise Risk Assessment:

Board policies and processes should be reviewed on a regular basis to ensure compliance and consistency.

Next Steps:

Once approved by the Board the policy will be updated on the Board website and Board handbook.

Alignment with Mission, Vision, Values, Strategic Plan:

The Board is governed by the by-laws and special resolutions.

Consultation:

Council of Ontario University Secretaries

Compliance with Policy/Legislation:

Special Resolution I.3 – Nominating & Governance Committee Terms of Reference

Committee/Board Mandate:

The Nominating & Governance Committee's terms of reference states that the Committee will "monitor the Board's governance practices, structures, by laws, regulations and performance and report, with recommendations if indicated, to the Board annually in this regard."

Supporting Reference Materials (attached):

- Proposed revisions: SR III.1 - Appointment of Members of the Board of Governors



Board Special Resolution III.1: Appointment of Members of the Board of Governors

Category: Board of Governors

Approval: Board of Governors

Responsibility: University Secretary

Date: February 16, 2001; Revised February 18, 2005, February 1, 2008, March 27, 2009, January 29, 2016, March 23, 2018, May 11, 2018, March 27, 2020, March 26, 2021, May 12, 2023, February 7, 2025 (Tentative)

1.0 Member Appointments:

Two members of the maximum 26-member Board of Governors are ex officio (the Chancellor and the President & Vice-Chancellor). Election of all other members of the Board of Governors is by Board resolution on the recommendation of the Nominating & Governance Committee.

2.0 Membership Requirements:

The Ontario Not-for-Profit Corporations Act provides that the following persons are disqualified from being a director of a corporation:

1. A person who is not an individual.
2. A person who is under 18 years old.
3. A person who has been found under the *Substitute Decisions Act, 1992* or under the *Mental Health Act* to be incapable of managing property.
4. A person who has been found to be incapable by any court in Canada or elsewhere.
5. A person who has the status of bankrupt.

3.0 Designated Seats:

Six seats on the Board of Governors are designated by the Board for members of the University community:

- a) Two seats are reserved for members of the faculty of the University who are in active service, who have an employment contract that would fulfil the length of the term of the appointment at a minimum, and whose employment is in good standing. Nominations result from elections by and from among Faculty Council conducted by the University Secretariat. The two faculty members must be from different academic divisions.
- b) Two seats are reserved for students taking one or more courses, who intend to be enrolled at the University for the length of the term of the appointment at a minimum, ~~at the University~~ and who are in good standing. Election to student seats on the Board will rotate annually between the Peterborough and Durham campuses. Nominations will result from elections by and from among the students of the respective campus of the University and conducted by the University Secretariat.
- c) Two seats on the Board of Governors are reserved for members of the staff of the University who are in active service, who have an employment contract that would fulfil the length of the term of the appointment at a minimum, and whose employment is in good standing. Nominations result from elections by and from among employees represented by OPSEU and non-academic employees of the exempt group¹, conducted by the University Secretariat. The two staff members must be from different administrative units or academic divisions.

Unionized employees appointed to the Board will remain members of the bargaining unit during their term of office, but are required to absent themselves from discussions of labour issues pertaining directly to their bargaining unit, and from votes on matters pertaining to their contract or compensation.

3.1 Term of Office – Designated Seats:

Subject to the terms of this section, designated seats carry terms of ~~two~~ years, beginning July 1. The terms are staggered for the sake of continuity. Although members of the Board in designated seats may be re-nominated by their constituencies and re-appointed by the Board for ~~an~~ additional ~~two~~-year terms, the purpose of two-year appointments is to involve in governance as many individuals as possible from the designated constituencies. Members in designated seats shall serve on the Board for a maximum of six consecutive years.

¹ Officers of the University (President, Vice-Presidents, Provost, Deans, Secretary of the Board) and assistant/associate officers are not eligible to run or vote in this election

Where members of the Board in designated seats reserved for students are no longer enrolled in at least one course at Trent, the seat of the member becomes vacant.

Where members of the Board in designated seats reserved for faculty or staff are no longer in active service or their employment is not in good standing with the University, the seat of the member becomes vacant.

3.2 Vacancy – Designated Seats:

When a vacancy occurs prior to the end of the term of a member of the Board in a designated seat, action is taken by the Nominating & Governance Committee as follows:

- a) If the vacancy occurs during the first ~~eight~~⁸ months of a ~~two~~²-year term², the Nominating & Governance Committee attempts to fill the vacancy from among candidates who were unsuccessful in the previous election, or in the case of a student seat, from among student candidates from the respective campus who were unsuccessful in the previous election. Candidates, provided they polled at least 20% of the votes cast in that election, may be invited in the order of their plurality to fill the vacant seat for the remainder of the term.
- b) If there are no eligible candidates from the previous election in the case of (a), or if the vacancy occurs at a later date when at least ~~nine~~⁶ months remain in the term, a by-election is held. In the case of a vacated student seat, a by-election will be held amongst the students of the respective campus.
- c) If the vacancy occurs when less than ~~6~~^{nine} months remain in the term, the seat may remain vacant until the next regular July 1 appointment period. In the case of a vacated student seat, as part of the next regular election cycle, an election for a one-year term will be held amongst the students of the respective campus.
- d) If there are no nominees for a designated seat, that seat remains vacant until the next regular round of elections, at which time the seat is filled for the remainder of the term.
- e) If a member in a designated seat ceases to be a member of the constituency for which the seat is reserved, that individual's seat is automatically declared vacant (i.e. the individual ceases to be a member of the Board) and the appropriate procedure for filling the vacancy (as outlined above) is followed.

4.0 At-Large Seats:

Up to 18 seats on the Board of Governors are filled by at-large, external members recommended for appointment by the Nominating & Governance Committee of the Board. Not less than four of the at-large seats shall be alumni. [Members of the](#) Trent University Alumni

² i.e., prior to the next annual spring election

Association shall be invited to submit applications or nominations to the Nominating and Governance Committee for consideration.

4.1 Term of Office – At-Large Seats:

At-large seats generally carry a term of up to three years. Regular turnover of members enhances Board vitality and is encouraged. While reappointment of an at-large member for a second term of up to three years is possible and sometimes desirable, it occurs following a positive performance evaluation showing a sustained and significant contribution by the member. The Nominating & Governance Committee will also consider the array of skills and experience needed from time to time in the Board's membership as well as the potential of the member to fill a leadership role during a second term. With the possible exception of individuals in Board leadership roles, or those involved in special projects, at-large members shall serve on the Board for a maximum of six consecutive years.

4.2 Vacancy – At-Large Seats:

When a vacancy occurs prior to the end of the term of a member of the Board in an at-large seat, action is taken by the Nominating & Governance Committee as follows:

- a) If the vacancy occurs when more than ~~6~~nine months remain in the term, the Nominating Committee undertakes to fill the vacancy for the balance of the term, or for a period incorporating the balance of the term; or
- b) If the vacancy occurs at a time when less than ~~six~~nine months remain in the term, the seat may remain vacant until the next regular July 1 appointment period.

5.0 Recognition of Retiring Governors:

Upon completion of service to the Trent University Board of Governors, all retiring governors will be formally recognized at an event of the Board of Governors. At that time, the Board Chair shall be appointed to the Trent University Fraser Society, in honour of Trent University's first Board Chair Charles K. Fraser.

Internal members of the Board of Governors must complete one full term appointment, and at-large members must complete two full term appointments, to be eligible to be appointed as a member of the "Trustee Society of Trent".

For the purpose of this section a "Term" is defined as the length of an appointment or a reappointment (where applicable) of an individual to the Board of Governors. The length of the term shall be determined by the Board at the time of an appointment/re-appointment.

Contact Officer:

University Secretary

Date for Next Review:

~~May 1, 2026~~ January 2030



Board Report

Session: ☐ Closed Session; ☒ Open Session

Action Requested: ☒ Decision; ☐ Discussion/Direction; ☐ Information

To: Board of Governors

Date: February 7, 2025

Presented by: Valentine Lovekin, Chair, Nominating & Governance Committee
Brenda Blackburn, University Secretary

Subject: **Special Resolution III.3 – Removal of Inactive Board Members**

Motion for Consideration (if applicable):

That the Board of Governors approve revisions to Special Resolution III.3 – Removal of Inactive Board Members as presented (or amended).

Executive Summary:

At the September 28, 2023, meeting of the Nominating & Governance Committee, it was suggested that policies should be reviewed on an ongoing basis. It was recommended that a schedule be developed and incorporated into work plans to ensure all policies get reviewed on a rotating basis. As per the schedule, Special Resolution III.3 – Removal of Inactive Board Members underwent a review by the University Secretariat and the Nominating & Governance Committee.

Special Resolution III.3 – Removal of Inactive Board Members

Following a review of the policy, the Committee was concerned with the number of meetings that would be missed before any action was taken. The Committee was recommending that an additional step be added at the beginning of the process, whereas a member the University Secretariat would informally reach out to any governor who has had two consecutive unexplained absences from Board meetings. A review date of five years was added to the policy.

Analysis/Alternatives Considered:

As referenced in the Nominating & Governance Workplan the following policies are to be reviewed by the Nominating and Governance Committee during the 2024-2025 cycle:

- SR III.1 - Appointment of Members of the Board of Governors
- SR III.3 – Removal of Inactive Board Members
- SR IV.5 - Senate Representatives

Financial Implications:

None

Enterprise Risk Assessment:

Board policies and processes should be reviewed on a regular basis to ensure compliance and consistency.

Next Steps:

Once approved by the Board the policy will be updated on the Board website and Board handbook.

Alignment with Mission, Vision, Values, Strategic Plan:

The Board is governed by the by-laws and special resolutions.

Consultation:

Nominating & Governance Committee

Compliance with Policy/Legislation:

Special Resolution I.3 – Nominating & Governance Committee Terms of Reference

Committee/Board Mandate:

The Nominating & Governance Committee's terms of reference states that the Committee will "monitor the Board's governance practices, structures, by laws, regulations and performance and report, with recommendations if indicated, to the Board annually in this regard."

Supporting Reference Materials (attached):

- Proposed revisions: SR III.3 – Removal of Inactive Board Members



Board Special Resolution III.3

Removal of Inactive Board Members

Category: Board of Governors

Approval: Board of Governors

Responsibility: University Secretary

Date approved: March 22, 2002; Revised: February 7, 2025 (Tentative)

Background:

The Board By-law notes that a vacancy on the Board may result from the resignation, death, bankruptcy or declaration of mental incompetence of a member of the Board or from a declaration of vacancy pursuant to the Trent Act. The Trent Act states: "After thirty days' notice to any member of the Board, the Board may, by resolution passed by at least two-thirds of the total members of the Board by votes cast at a meeting of the Board, declare vacant the seat of such a member."

Purpose:

The purpose of this policy is to ensure that non-participating members do not continue to occupy seats on the Board of Governors.

Policy:

The Board of Governors will normally declare vacant the seat of a Board member who has been inactive. This policy may be waived at the discretion of the Nominating and Governance Committee in the case of illness or other special or extenuating circumstances.

1. Following the absence of a Board member from two consecutive meetings of the Board of Governors, a member of the University Secretariat will undertake informal outreach with the Board member.

1.2. Following the absence of a Board member from three consecutive meetings of the Board of Governors, the Chair of the Board, at the request of the Nominating and Governance Committee, will write to the absent member requesting his or her attendance at the next meeting or notification of special circumstances which prevent the member from attending. If the member does not respond to this communication, following the fourth missed meeting the Chair will advise the member in writing of the Board's intention to entertain a motion to declare that individual's seat vacant. In the absence of satisfactory response, the Nominating and Governance Committee will recommend that the Board, at its next meeting, declare the seat vacant.

2.3. Following the absence of a Board member from three consecutive meetings of a Board Committee on which he or she is a voting member, the Chair of that Committee, at the request of the Nominating and Governance Committee, will write to the absent member

requesting attendance at the next meeting or notification of special circumstances. If the member does not respond to this communication, the same procedures for declaring the member's seat on the Board vacant as outlined in #1 above shall be followed.

~~This policy may be waived at the discretion of the Nominating and Governance Committee in the case of illness or other special or extenuating circumstances.~~

Contact Officer:

University Secretary

Next Review:

January 2030



Board Report

Session: ☐ Closed Session; ☒ Open Session

Action Requested: ☒ Decision; ☐ Discussion/Direction; ☐ Information

To: Board of Governors

Date: February 7, 2025

Presented by: Valentine Lovekin, Chair of Nominating & Governance
Brenda Blackburn, University Secretary

Subject: **Special Resolution I.1 – Executive Committee Terms of Reference**

Motion for Consideration (if applicable):

That the Board of Governors approve revisions to Special Resolution I.1 – Executive Committee Terms of Reference as presented (or amended).

Executive Summary:

At the September 28, 2023, meeting of the Nominating and Governance Committee, it was suggested that policies should be reviewed on an ongoing basis. It was recommended that a schedule be developed and incorporated into work plans to ensure all policies get reviewed on a rotating basis. In addition, as a result of changes last year to Special Resolution III.2 - Presidential Absence, review and Search Policy an update was required to Special Resolution I.1 to remain consistent.

The Nominating & Governance Committee met on January 23, 2025 and are recommending the attached revisions to Special Resolution I.1 – Executive Committee Terms of Reference.

The proposed revision includes that under *The Presidency*, that the Executive committee initiate a review in accordance with the Special Resolution III.2.

Under the *General* heading, the circumstances on when a Special Executive Committee is called is further defined. A materiality of \$10M has been set and a provision for the Executive Committee to meet under delegated authority if a Board meeting does not achieve or maintain quorum has been added.

Under *Composition*, the Chair of the Trent Lands Committee has been added as a member. Additionally, the appointment of one additional external member is clarified that it is at the Board's discretion. Language from the Board By-Law has been included to note the process for the Chair appointment.

A review date of five years was added to the policy.

The Executive committee met on January 29, 2025 and reviewed the changes suggested by Nominating and Governance and made one friendly amendment to clarify the language of the threshold of \$10 million.

Analysis/Alternatives Considered:

As outlined in Special Resolution I.1 – Executive Committee Terms of Reference. The Executive Committee has been delegated authority to act on behalf of the Board on Human Resources matters, Labour Relations, Major Partnerships, and Risk Management. In addition, reviewing, and recommending for approval to the Board of Governors draft policies which are within the jurisdiction of the Board that do not otherwise fall with the mandate of another committee of the Board; and to review of matters to be brought before the Board as presented by committee chairs.

Where matters arise that are of a time-sensitive nature, the Executive Committee is delegated to exercise any or all of the powers of the Board between meetings of the Board.

While the Board must discharge its powers and duties under the Act appropriately and lawfully, it must at the same time ensure that the day-to-day-operations, carried out by the President and administration of the University, are not unduly hampered.

The Executive Committee reports out to the Board, at the next Board meeting, any decisions that were taken as a result matters arising where Executive acted under delegated authority on behalf of the Board.

Financial Implications:

None

Enterprise Risk Assessment:

Board policies and processes should be reviewed on a regular basis to ensure compliance and consistency.

Next Steps:

Once approved by the Board the policy will be updated on the Board website and Board handbook.

Alignment with Mission, Vision, Values, Strategic Plan:

The Board is governed by the by-laws and special resolutions.

Consultation:

Council of Ontario University Secretaries.
Executive Committee

Compliance with Policy/Legislation:

Special Resolution I.3 – Nominating & Governance Committee Terms of Reference

Committee/Board Mandate:

The Nominating & Governance Committee's terms of reference states that the Committee will "monitor the Board's governance practices, structures, by laws,

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regulations and performance and report, with recommendations if indicated, to the Board annually in this regard.”



Board Special Resolution I.1:

Executive Committee Terms of Reference

Category: Board of Governors

Approval: Board of Governors

Responsibility: University Secretary

Date: December 12, 2008, Revised April 30, 2010, Revised April 1, 2016, Revised June 15, 2018, Revised May 10, 2019, October 14, 2022, TBD

The Role of the Executive Committee - Overview

The Executive Committee is established as a standing committee of the Board of Governors by the By-laws of the University.

Committee Terms of Reference

Human Resources

On human resource related matters, the Executive Committee has been delegated authority to act on behalf of the Board of Governors, as set out below:

The Presidency:

- setting the terms and conditions of employment of the President and entering into such instruments in this regard as may be required;
- conducting an annual review of the President's performance pursuant to the Board's policy;
- initiating a review of the presidency in accordance with Board policy (Special Resolution III.2), ~~prior to the end of the President's term of office. Reviews of the presidency will generate for the Board a recommended mandate for the next presidential term following consultation with the University community and examination of internal and external environmental considerations. The Executive Committee may name an advisory committee to conduct the review;~~
- initiating presidential searches in accordance with Board policy (Special Resolution III.2).

The Board of Governors reserves to itself the power to appoint or terminate the President and Vice- Chancellor.

Senior Administration:

On the recommendation of the President,

- Appointment, promotion, or termination of the Provost, Vice-President(s), or Secretary of the Board shall be presented to the Executive Committee, for approval in advance

of invoking the specific action.

- Interim/acting appointments of Provost, Vice-President(s), or Secretary of the Board shall be presented to the Executive Committee for approval in advance of invoking the specific action.
- approving the appointment, contract terms, annual salary ranges, salaries and other matters related to compensation as may be appropriate for the Vice-Presidents and other executive officers of the University, including the University Secretary.

Other Employees:

On the recommendation of the President,

Appointment, promotion, or terminationⁱ of employees at and below the classification of Associate Vice-President or Academic Dean (or equivalent) are deemed to be routine in nature and undertaken pursuant to approved University policy and procedures. These employment changes shall be reported to the Executive for approval ex post facto at a minimum of three times per year. In these instances, the Executive Committee may approve the appointment, promotion, or termination of employees by e-mail vote or other electronic means. The Executive Committee shall provide an annual summary report to the Board of Governors at the last Board meeting of the academic year.

~~The Executive Committee shall report annually to the Board of Governors on actions taken on behalf of the Board, at the last Board meeting of the academic year.~~

Exempt Personnel:

On the recommendation of the President,

- Reviewing and approving the overall compensation policy and annual adjustments for exempt personnel;
- Considering such other matters affecting exempt employees as are presented to the Committee by the President, from time to time.

Labour Relations:

On the recommendation of the President,

- approving the negotiations frameworks and other matters relating to terms and conditions of employment and collective bargaining;
- reviewing, and recommending for approval by the Board of Governors draft collective agreements for ratification; and
- considering such other labour relations matters as are presented to the Committee by the President, from time to time.

Major Partnerships

- reviewing, consulting with other Board committees as appropriate and making recommendations to the Board on proposals for major partnerships, corporate

strategic alliances and strategic positioning.

Risk Management

- overseeing the University's enterprise risk management process and the Board's exercise of its risk oversight responsibilities;
- considering risks related to the Committee's responsibilities for human resources, labour-relations and major partnerships.

General

- Reviewing, and recommending for approval to the Board of Governors those draft policies which are within the jurisdiction of the Board of Governors that do not otherwise fall within the mandate of another committee of the Board;
- Review of matters to be brought before the Board as presented by committee chairs:
 - to ensure the thoroughness of reports, and thereby facilitating productive discussion by the Board of Governors; and
 - to ensure that matters that have cross-committee implications are appropriately managed.
 - to set the Board agenda.
- Where matters arise that are of a time-sensitive nature, the Executive Committee is delegated to exercise any or all of the powers of the Board, between meetings of the Board, on matters to a maximum value of ten (10) million dollars. In fulfilling its mandate, the Executive Committee shall have the following responsibilities: Review and determine matters which, in the opinion of the Chair of the Board and on the advice of the President, shall not be postponed to the next regularly scheduled meeting of the Board and which do not warrant the calling of a special meeting of the Board. The Executive Committee exercises careful consideration to refrain from dealing with any matter that can wait until a regularly scheduled meeting of the Board, or that should be dealt with by a special meeting of the whole Board. Actions taken under delegated authority will be reported to the Board at the next scheduled meeting or at the earliest opportunity.
- Should the Board of Governors not achieve, or maintain, quorum at any meeting, the Executive Committee shall meet under delegated authority to exercise any or all of the powers of the Board.

In carrying out any of these duties, the Executive Committee will meet in camera. The Committee shall have access to such administrative personnel and consultants as it considers appropriate.

Composition:

- Chair of the Board (ex-officio)
- Vice-Chair(s) of the Board
- President (ex-officio)
- Chairs of the Finance & Property Committee, Audit & Investment Committee, ~~and~~ Nominating & Governance Committee, and Trent Lands Committee.
- One additional external member of the Board, as the Board may deem appropriate in any

year, at the Board's discretion.

- As noted in the Board By-Law – The Board shall appoint one of the members of the Executive Committee, other than the Chair or the President, as chair of the Executive Committee.

Next Review:
January 2030

ⁱ Involuntary termination of an employee that may establish precedent, affect institutional reputation, or lead to administrative proceedings shall be reported to the Executive Committee at the earliest opportunity, but preferably discussed with the Executive Committee in advance of invoking the specific action.



Board Report

Session: ☐ Closed Session; ☒ Open Session

Action Requested: ☐ Decision; ☐ Discussion/Direction; ☒ Information

To: Board of Governors

Date: February 7, 2025

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

Subject: 2025/2026 Operating Budget Update

Motion for Consideration (if applicable):

That the Board of Governors receive this report for information.

Executive Summary:

This year's budget planning process began in September 2024 as the University modelled various enrolment projections and developed financial assumptions for budget planning purposes. Consultations with various groups in the University community began in late October 2024 to discuss the current fiscal environment, process and timelines (presented to Finance and Property on November 24, 2024). The 2025/2026 budget cycle will include multi-year planning for the three years 2025/2026, 2026/2027 and 2027/2028.

The current fiscal environment is challenging with continued fixed operating grants, frozen domestic tuition rates, federal caps on international study and work permits, heightened competition for domestic enrolment, increasing compensation costs, and escalating expenses due to inflation.

The preliminary 2025/2026 operating budget is based on the following key planning assumptions:

- Total student enrolment will decline approximately 6% and 2% in 2025/2026 and 2026/2027 respectively and remain relatively flat at 2026/2027 levels in 2027/2028. As a result, total enrolment is expected to decrease from 13,130 full-time equivalents (FTEs) projected for 2024/2025 to 12,016 FTEs in 2027/2028. This declining enrolment projection is largely due to the recent announcements and restrictions on international enrolment and increased competition for domestic students.
- Ministry operating grants will be fixed (other than the international student recovery fee which varies with international enrolment). There is no mechanism for enrolment growth to be funded under the current Ministry funding formula. All performance targets are expected to be achieved to maintain performance-based

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funding linked to performance metrics. Although still subject to confirmation, Trent is assuming there will be no material change in Special Purpose Grants.

- Domestic undergraduate and graduate tuition rates will remain frozen at 2019/2020 rates (as mandated until at least 2026/2027), except for the programs approved for a 7.5% increase under the Tuition Anomalies initiative.
- International undergraduate tuition rates will increase by 8% for incoming and 5% to 8% for continuing (depending on cohort) international undergraduate students. International graduate research-based program fees will increase by 3%, while international professional program fees and certificate program fees will increase by 5% for each year of the budget planning cycle.
- Ministry-mandated tuition set-aside for financial aid is estimated at 6.0% of eligible tuition fee revenue and 2% of international undergraduate tuition fees revenue will be set aside for additional resources to support international students.
- Scholarship expenses are variable depending on undergraduate or graduate programs and by domestic or international student type. The provisions are based on the newly revised scholarship program.
- Salaries and benefits will increase for all employee groups based on collective agreements, progression through the salary grids, and increased benefit rates.
- Pension costs reflect normal costs and estimated pre-conversion gains/losses provisions. Special solvency payments, pension benefit guarantee payments and letter of credit fees were eliminated upon Faculty Plan conversion to the UPP January 1, 2022 and Staff Plan conversion to the UPP January 1, 2025.
- Agency fees are estimated at 4.8% of international tuition revenue as agency fees are highly dependent on the international enrolment and tuition revenue they bring to the University. Durham post-graduate certificate agency fees are modelled separately based on agency agreements.
- Trent is anticipating an increase of 5%, 6% and 5% in electricity, natural gas and water costs, respectively, based on estimates by the University's energy consultants. Savings from the EPC initiatives will be used towards financing the projects over 10 years.
- Insurance premiums are expected to increase by 5% for property and liability insurance based on discussions with the University's insurance carriers.
- Inflation on other relevant expenses is estimated at 2% per year.
- Ancillary services are expected to maintain their contributions to the operating budget at their 2024/2025 approved budget levels.

Based on the current fiscal environment and the above key assumptions, the preliminary operating budget projects a deficit operating position of approximately \$19.7 million before implementing any mitigation strategies or considering any necessary strategic investments. Action must be taken in 2025/2026 to avoid significant budget deficits in the near future and to remain financially sustainable for the long term.

Budget owners were requested to model three budget reduction strategies required to achieve a 2%, 4% and 6% reduction in departmental budgets for 2025/2026. Submissions were made by December 19, 2024 and budget developers will present their proposals to the President and Vice Presidents (PVP) the week of February 10, 2025, after which PVP will carefully consider budget reduction strategies and required investment proposals. A

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recommended budget for review and approval will be presented to Finance and Property and the Board of Governors at the March 2025 meetings.

Analysis/Alternatives Considered:

The 2025/2026 preliminary operating budget uses the Board-approved 2024/2025 budget as its starting point. Any approved operating investments or budget reduction strategies implemented during the 2024/2025 fiscal year have been annualized and one-time investments for 2024/2025 have been removed. Tuition revenue and associated direct costs such as student financial aid, international agency fees, and international student recovery costs are adjusted based on current enrolment projections following the November 1, 2024 count and current trends for applications and accepts. The preliminary budget is adjusted for the financial assumptions outlined in this report and any other known changes.

The 2025/2026 preliminary operating budget projects a deficit operating position of approximately \$19.7 million **before implementing any budget reduction strategies or required new investment proposals.**

Senior administration is considering several mitigation strategies including:

1. Budget reduction strategies: Budget owners have been asked to model proposals to reduce their 2025/2026 departmental budgets by 2%, 4% and 6%. These proposals will be carefully reviewed by PVP with a strategic approach (rather than an across-the-board application) that considers the following guiding principles:
 - Reputation and Quality – protect the academic mission of the University and the quality of its programs;
 - Student Experience – protect the quality of the student experience;
 - Culture – aim for reductions that have the least impact on faculty, staff, or other departments;
 - Risk – minimize risk exposure; and
 - Financial Sustainability – implement initiatives that will enhance operating efficiencies or improve revenue generation.
2. Enrolment recovery: Through the Provost's Office, academic leaders are developing new or modifying existing program offerings to better align with labour market demands and Ministry priorities (most within existing resources), developing more on-line programming, and introducing new or strengthening existing domestic and international partnerships and pathways in an effort to achieve enrolment reach goals (enrolment intake targets that exceed the conservative budget projections). Additional recruitment and marketing efforts are also underway, including; a consultant review and a new taskforce, various retention initiatives, and an enhanced scholarship program with the objective of attracting more student enrolment.
3. Revenue generating opportunities: Senior administration continues to pursue opportunities that will generate additional revenues and/or create alternative

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revenue sources, such as the equity participation option in the new housing capital development project.

4. **Efficiencies:** Trent is ranked as one of the most efficient universities in our comparator group based on information from Canadian Association of University Business Officers (CAUBO). In 2022 (latest report), operating expenses were calculated at \$12,401 per FTE while the provincial average was \$17,829. The University has consistently balanced its budget largely as a result of controlled enrolment growth and has responsibly developed programs with minimal additional resources. Trent continues to pursue further efficiencies e.g. the conversion of the Staff Pension Plan to the University Pension Plan on January 1, 2025 (the Faculty Pension Plan was converted on January 1, 2022) and the current efforts to create a centralized student services hub which will ensure higher-level service for students and increase efficiencies of our operations.
5. **Review prior appropriations:** Senior administration reviewed remaining prior appropriations and carryforwards to reassess the need of each initiative and identify funds that could be released and added to the operating pressures contingency to address future financial operating challenges. While the use of this contingency is a short-term strategy due to the one-time nature of appropriations, drawing down of this reserve will allow time to implement other mitigation strategies. For more details on this strategy, please refer to the In-Year Appropriations Report provided at the January 28, 2025 Finance and Property Committee meeting.

Given the fiscal environment, only new strategic investments with the highest of priority will be considered and must align with the following priorities of the University:

- Address enrolment growth, both domestic and international;
- Generate additional net revenue for the University;
- Mitigate risk;
- Maintain or improve service;
- Maintain or enhance institutional capacity;
- Build co-op and experiential learning opportunities;
- Ensure compliance with current legislation or health and safety protocols;
- Reduce existing costs;
- Enable the avoidance of future costs; and/or
- Achieve operating efficiencies.

Enrolment

Due to its reputation and its recruitment and retention initiatives, Trent has experienced significant enrolment growth since 2016/2017 when the corridor under the current Ministry funding framework was first established. Total full-time equivalents (FTEs) have grown from 8,356 in 2016/2017 to 13,275 in 2023/2024, a 58.9% increase. Despite various political, economic and regulatory factors impacting international student enrolment, the forecast for 2024/2025 indicates overall enrolment will remain over 13,000 FTEs.

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However, new intake for the current year is falling short of budget expectations, the flow through of which will negatively impact overall enrolment over the next four years. Based on current modelling, overall enrolment, the key driver for the University's budget, is expected to shrink in 2025/2026 before stabilizing around 12,000 FTEs in 2026/2027.

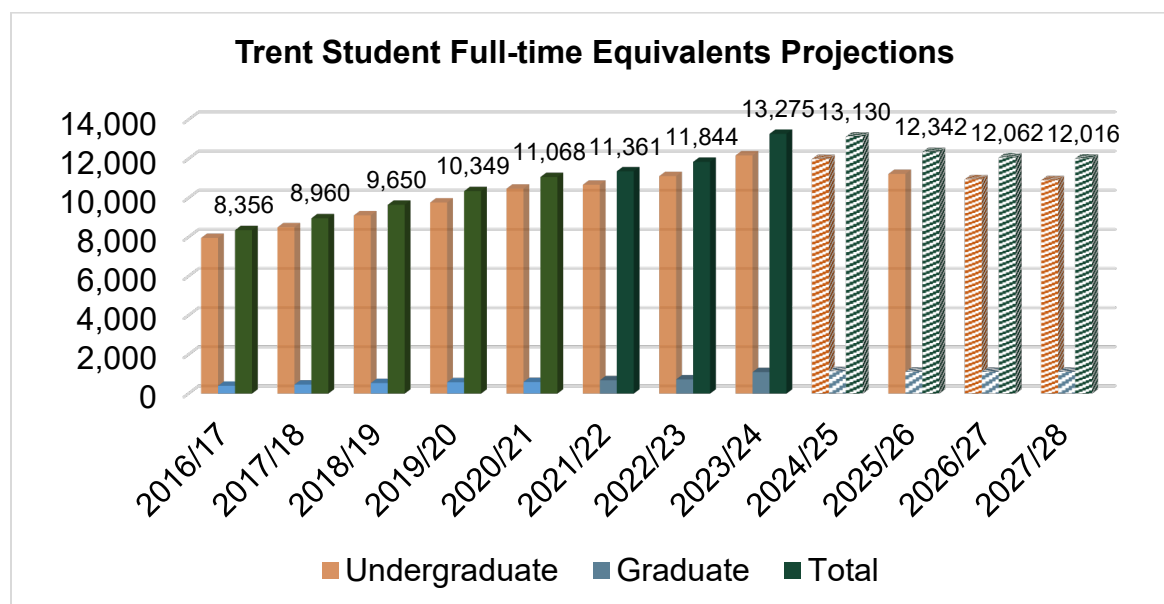
Senior administration is recommending a conservative approach to enrolment projections largely due to the continuing uncertainties and challenges of the current fiscal environment, particularly the restrictions on international student intake. This approach will allow the University to plan sufficient resources and address capacity challenges related to planned enrolment while ensuring the budget is flexible to respond to any unmet enrolment targets.

Enrolment projections for the 2025/2026 budget cycle are conservatively estimated assuming the following:

- Domestic undergraduate intake targets are projected based on growth in 2025 at both campuses, followed by annual 1% increases at both campuses;
- International undergraduate intake targets are set to begin recovering for degree-seeking programs in 2025, followed by increases at half of the 2024 to 2025 increase in future years;
- The demand for post-graduate certificates (PGCs) is expected to decrease dramatically, though efforts are underway to update programs to continue to offer viable PGC pathways for international students.
- Graduate enrolment growth is modeled in high-demand programs, including Master of Management and AMOD; all other graduate enrolment will be held at current 2024 levels; and
- Continuation rates will use an average of the last three full years (fully post-pandemic).

Based on these assumptions, the University is planning total student enrolment to decrease over the next three years to 12,016 FTES, an 8.5% decrease from the 2024/2025 projection.

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Government Grants

As outlined in the Current Fiscal Environment document shared in November 2024, the University will be operating under a new Strategic Mandate Agreement, SMA4, beginning in 2025/2026. For the first two years of SMA4, SMA-related enrolment funding will remain steady for all institutions and there will be no funding for domestic enrolment growth. The Preliminary Budget does include the one-time Postsecondary Education Sustainability Funding of \$2.5 million in 2025/2026 and \$3.6 million in 2026/2027.

Performance-based funding at risk will remain at 25% of total operating grants and failure to meet established targets for eight performance-based metrics will result in funding recovery. In the subsequent three years, the Performance-based component of the operating grant will increase by 5% each year until at-risk funding reaches 40% of total operating grants (which are assumed fixed for the duration of SMA4). In addition, a new Efficiency, Accountability and Transparency priority area will be introduced, linking 5% of total operating funding to accountability requirements, including specific deliverables and submissions under the University Financial Accountability Framework. Institutions that do not meet all the accountability reporting requirements will lose their full 5% allocation. Trent is expecting performance targets will be met to retain all performance funding.

The University is also assuming there will be no changes to Special Purpose Grants used to fund much-needed programs (other than known adjustments already factored into the preliminary budget).

Tuition Revenue

The current Tuition Fee Framework mandated a 10% reduction in tuition fees for the 2019/2020 academic year and a tuition fee freeze for subsequent academic years. In February 2024, the Ministry further extended the freeze for at least three more years, effectively freezing domestic tuition fees at reduced rates until 2026/2027. The Tuition Fee Framework applies to eligible (primarily domestic) undergraduate and graduate tuition fees. Therefore, Trent is assuming these tuition rates will be frozen at their current

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level for each year of this budget cycle. The Preliminary Budget does take into account the allowable 7.5% increase for the three approved programs under the Tuition Anomalies initiative.

International tuition fees are not regulated by the Tuition Fee Framework. Consistent with last year, the preliminary budget assumes an 8% increase for incoming and 5% to 8% increase for continuing (depending on cohort) international undergraduate students. International graduate research-based program fees will increase by 3%, while international professional program fees and certificate program fees will increase by 5% for each year of the budget planning cycle. Even with these increases, Trent is still expected to remain one of the lowest in the province.

Student Financial Aid and Scholarships

Student financial aid and scholarship expense is a highly variable cost, dependent primarily on student enrolment and the academic qualifications of the student body. For each of the three years of this budget cycle, tuition set-aside is estimated at 6.0% of tuition fee revenue for domestic undergraduate and graduate students. In addition, 2% of international undergraduate tuition fees revenue will go towards additional resources to support international students.

Undergraduate domestic scholarship costs have been provided for in the preliminary budget with consideration to current year entrance scholarship utilization, projected changes in intake, historic renewal rates and recently approved changes to the entrance scholarship grid and the value of prestigious scholarships. Undergraduate international scholarships and fee waivers are estimated to be an additional 4.9% of undergraduate international tuition revenue.

For research and thesis-based graduate programs, scholarships, fellowships and awards are estimated at approximately 35.3% of the related tuition revenue with an additional 58.9% of international graduate tuition revenue estimated for international fee waivers and bursaries.

Salaries and Benefits

Compensation increases for all employee groups are based on collective agreements and progression through the salary grids. At the time of writing this report, all collective agreements were in place, with the impacts of recent settlements incorporated into the preliminary budget.

In addition, Ontario's minimum wage increased by approximately 3.9% effective October 1, 2024, which impacts part-time casual salaries. The impact of this wage increase has been factored into the preliminary budget.

Based on the current information from the University's benefits consultants, Trent is anticipating an average increase in extended health care, dental and long-term disability benefit costs of 12.5%, 12.5% and 15% respectively for 2025/2026.

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Effective January 1, 2025, the University transferred its Staff Pension Plan to the University Pension Plan (UPP). The University's Faculty Pension Plan was transferred to the UPP effective January 1, 2022. Pension current service costs are based on the contribution rates required under the UPP and are part of compensation included in the preliminary budget.

With the conversion of the both pension plans into the UPP as of January 1, 2025, special solvency payments, pension benefit guarantee fund payments and letter of credit fees have been eliminated. Trent remains 100% responsible for gains and losses on pre-conversion service for 10 years after transition to the UPP. Provision for these special payments, as well as contributions for the Voluntary Early Retirement (VER) and Supplemental Retirement Agreement (SRA), are included in the Preliminary budget.

Agency Fees

International recruitment agency fees are highly dependent on international enrolment and tuition revenue. Based on the historical trend upwards over the past three years and the current challenging international recruitment environment, agency fees for degree-seeking students are estimated at 4.8% of international tuition revenue. Agent commissions for post-graduate certificates provided at the Durham Simcoe location will be modeled separately by type of agent.

Other Expenses

Savings from initiatives under the Energy Performance Contract (EPC) will be used towards financing the project over the next few years so will not lead to operating savings in this budget cycle. Trent is anticipating an increase of 5%, 6% and 5% in electricity, natural gas, and water costs, respectively, based on estimates by the University's energy consultants.

Insurance premiums are expected to increase by 5% for property and liability insurance based on discussions with the University's insurance carriers.

Certain non-staff expenses are subject to inflation, which has been estimated at 2% per year during this budget cycle to reflect the current economic environment and the 2025/2026 economic outlook.

Deferred maintenance, capital and IT renewal projects will be prioritized and addressed on a case-by-case basis using FRP and other funding sources. Other priority needs will be considered when reviewing strategic investment proposals.

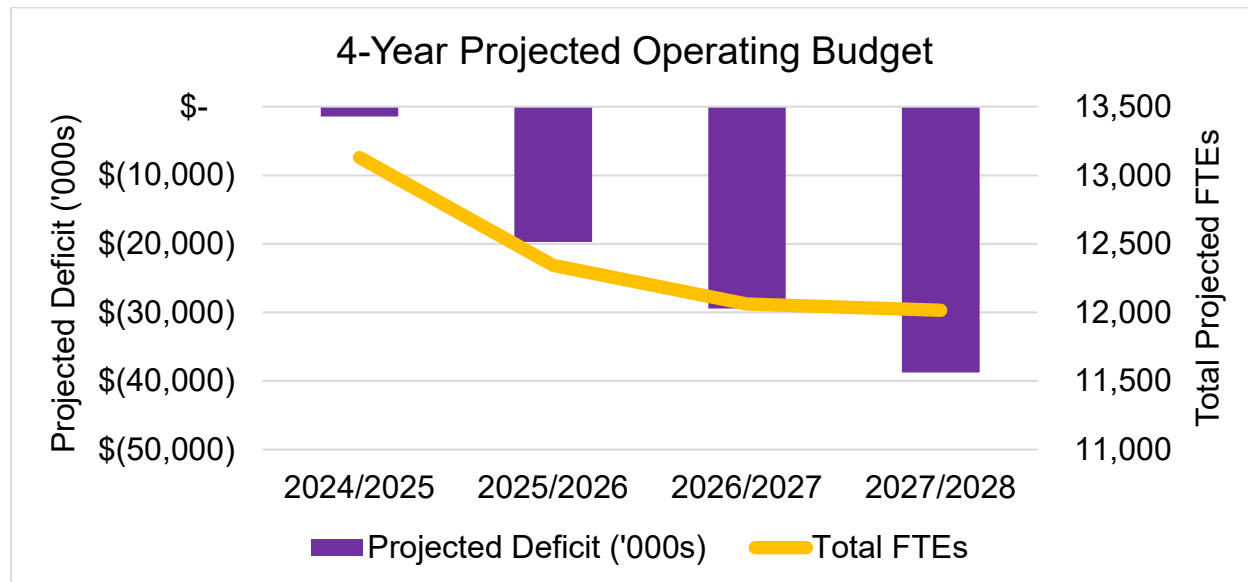
Ancillary Services Contributions

Ancillary services will be expected to make contributions (administrative overhead and/or transfer of surpluses) to the operating budget at or more than their 2024/2025 approved budget amounts. Most ancillary services are expected to be financially sustainable and to rebuild reserves critical to address capital and infrastructure renewal.

Financial Implications:

The preliminary budget based on the above key enrolment and financial assumptions projects a deficit operating position for 2025/2026 to 2027/2028 **before implementing**

any budget reduction strategies, required new investment proposals, or other mitigating strategies.



Potential Enrolment Changes

The preliminary budget is driven by conservative enrolment projections. As noted above, the Provost's Office has set reach enrolment goals which are incremental to the budget enrolment targets. On the other hand, the current geo-political factors and uncertainties regarding international recruitment, are making it challenging to achieve budgeted international enrolment projections.

Using simplistic modelling, a 1% deviation in enrolment projections is estimated to result in a gain/loss of net tuition revenue in 2025/2026 as follows.

Type of Enrolment	Net Tuition Impact
Domestic undergraduate enrolment	\$580,000
International undergraduate enrolment – degree-seeking	\$316,000
International undergraduate enrolment – certificates	\$65,000
Domestic graduate enrolment	\$30,000
International graduate enrolment	\$170,000

The impact of not achieving enrolment projections may extend beyond the reduced tuition revenue. Some of the performance metrics in SMA4 rely on growing enrolment. Not achieving the established performance targets may result in funding being recovered by the Ministry. In addition, missing enrolment projections in one year would compound in future years as students move through multiple years of study.

Enterprise Risk Assessment:

Accurate budget forecasting is imperative for the University to serve students effectively. With assumed enrolment decline for the next three years, it is essential that the University

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plan appropriate resources to address the academic, student and capacity needs in an efficient and economical manner. The financial health of the University is paramount to the University's overall success and ability to fulfill its academic mandate and meet student expectations. Incurring a significant deficit may lead to the inability to service debt and negatively impact on the University's reputation (and consequently detract from future enrolment, both of which are high enterprise risks for the University).

Next Steps:

Following the presentations to PVP by budget developers in early February 2025, proposals will be carefully reviewed by PVP. Recommendations for budget reduction strategies and required new investments will be based on consideration of several overall principles, including alignment with the University's strategic directions.

It is anticipated that a recommended 2025/2026 operating budget will be presented for review and approval to the Finance and Property Committee on March 18, 2025 and to the Board of Governors on March 28, 2025.

Alignment with Mission, Vision, Values, Strategic Plan:

Preparing a fiscally responsible operating plan promotes new academic programming and more efficient use of critical resources required to address projected enrolment and other initiatives in alignment with Trent's mission to "foster sustainability, in its environmental, social and economic dimensions, on our campuses and in all aspects of our work" and Trent's strategic direction to "ensure that it is financially healthy and sustainable".

Consultation:

To date, several meetings and presentations have taken place to communicate the current fiscal environment, process, and timelines to key stakeholder groups as outlined in the Current Fiscal Environment report presented to the Board of Governors on December 6, 2024.

Budget developer meetings with PVP are scheduled the week of February 10, 2025, after which PVP will carefully consider budget reduction strategies and investment proposals that align with the priorities of the University while minimizing the impact to students and without compromising the quality of programs and services.

Budget developers are also requested to provide a high-level summary of their current year performance and forecast to the end of the year to assist PVP in their decision making regarding future budget decisions.

Meetings with the same stakeholder groups are planned in March 2025 to communicate the results of the consultations and provide further details of the multi-year plan.

Compliance with Policy/Legislation:

Not applicable.

Committee/Board Mandate:

The Board of Governors is responsible for ensuring the financial health of the University and the proper management of its buildings, lands and capital projects. The Finance & Property Committee assists the Board in carrying out these responsibilities by monitoring

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the institution's financial, property and capital affairs and making related policy recommendations.

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

Supporting Reference Materials (attached):

Not applicable.



Board Report

Session: ☐ Closed Session; ☒ Open Session

Action Requested: ☐ Decision; ☐ Discussion/Direction; ☒ Information

To: Board of Governors

Date: February 7, 2025

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

Subject: Annual Review of Credit Rating and Debt Capacity

Motion for Consideration (if applicable):

That the Board of Governors receive this report for information.

Executive Summary:

On January 8, 2025, Morningstar DBRS confirmed the Issuer Rating and Senior Unsecured Debentures rating of Trent University at "A" with Stable trends for the eighth year in a row.

Included in its Rating Report, Morningstar DBRS identified Trent's debt burden of \$5,982 per student full time equivalent (FTE) for 2023/2024 as a strength of the University's credit rating.

Based on the most recent analysis completed by Trent's Financial Services Team, Trent could potentially issue an additional \$40.9 million of debt before negatively impacting its expendable resources to debt score and \$93.1 million of debt before negatively impacting its debt per FTE score (based solely on Morningstar DBRS's financial risk assessment factors and assuming all other factors, including enrolment, remain constant).

The December 2021 analysis of the Sinking Fund indicated the current level of contributions of \$500,000 annually should be sufficient to meet the objective of providing enough funds to repay 100% of the principal amount of the debentures in February 2057. The next review will be in 2026/2027.

Trent's credit rating is the only reason the University is in the Low Action category under the Ministry's Financial Accountability Framework. Therefore, Trent has engaged Moody's to conduct a second credit rating assessment. Under the Framework, the best credit rating score will be used to determine the action level required. The indicative rating (private rating) from Moody's is expected in February 2025 and will be reported at the next Finance and Property Committee meeting.

Analysis/Alternatives Considered:

Morningstar DBRS Credit Rating

Methodology: Morningstar DBRS conducted their annual review of Trent University between December 2024 and January 2025 using its methodology for rating public universities, updated September 2024. Per Morningstar DBRS, the industry risk assessment (a general indication of an industry's business risk) of Canadian public universities is "A". "The public university sector is characterized by (1) management to a balanced budget rather than to profit maximization; (2) limited local competition, given governmental control over the creation of new universities; (3) stable growth, generally tied to demographic factors; (4) a high degree of regulation and/or government control in exchange for considerable financial support from the public sector; and (5) a historically low degree of technological change, although online course delivery and other disruptive technologies have the potential to change the nature of education services over the medium and long term."¹

The credit rating methodology used by Morningstar DBRS takes into consideration: critical rating factors (CRFs), financial risk assessments (FRAs), overlay considerations (where relevant), and specific instrument considerations (if any).

The CRFs capture the major business risk aspects and are determined by assessing each CRF outlined in the industry-specific grid. The primary CRFs for public universities include (listed in general order of importance): academic profile; funding government's rating; adequacy of government funding and tuition fees; location, catchment area and competition; and size and economies of scale.

The FRAs pertain to financial soundness and are determined by assessing each of the FRA metrics, which are (listed in general order of importance): debt per FTE; expendable resources to debt; interest coverage; and surplus (deficit) to revenue based on a five-year average. Note, the ratings are primarily based on future performance expectations, therefore, any final rating will incorporate Morningstar DBRS's opinion on future metrics, which is a subjective but critical consideration.

The core assessment is a blend of the CRF scores and the FRA metrics. In most cases, the CRFs will have greater weight than the FRA metrics in determining the issuer rating.

When deemed relevant and material, sector-specific and general overlay factors may also adjust the overall issuer rating. Factors considered include: external endowments and history of fundraising, labour, adequacy of infrastructure base, strategic advantage or impediment, other financial factors (such as liquidity, volatility, considerable uncertainty, unfunded pension liabilities and weak financial policies) and ESG considerations.

Credit Rating: Based on their review using the above methodology, Morningstar DBRS confirmed the Issuer Rating and Senior Unsecured Debentures rating of Trent University

¹ Source: DBRS Morningstar Methodology – Rating Public Universities, September 2024

at “A” with Stable trends. Per the attached press release provided by Morningstar DBRS on January 8, 2025:

“The credit ratings reflect Trent's academic profile as a primarily undergraduate university in the Province of Ontario (rated AA with a Stable trend by Morningstar DBRS), a low and declining debt burden, and improved operating performance. The credit ratings remain constrained by the current challenging operating environment, which is characterized by the constrained funding and tuition framework and the potential slowdown in enrolment following federal changes to immigration policy affecting international student study permits.”²

The University's scores on the CRFs (still to be confirmed by Morningstar DBRS) and FRAs are summarized in the table below. Two scores improved compared to the last rating review in January 2024: funding government's rating moved from AA (low) to AA (stable) and Trent's expendable resources to debt moved from A (high) to AA (low).

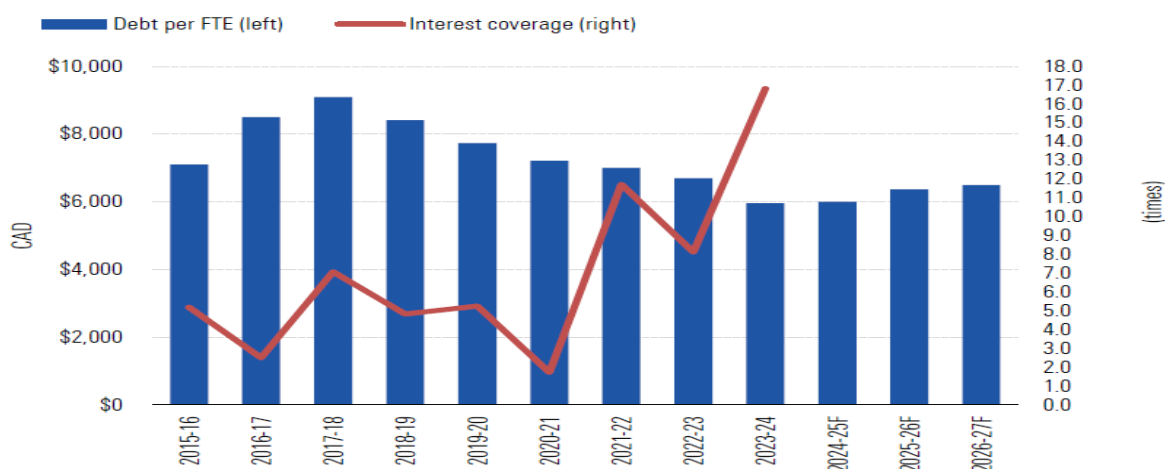
	Trent Value April 2023	Trent Score Jan 2024	Trent Value April 2024	Trent Score Jan 2025
Critical Ratings Factors:				
Academic Profile		A (low)		A (low)
Funding Government's Rating		AA (low)		AA
Adequacy of Government Funding and Tuition Fees		A (low)		A (low)
Location, Catchment Area, and Competition		A (low)		A (low)
Size and Economies of Scale		A (low)		A (low)
Financial Risk Assessments:				
Debt per FTE	\$6,697	AA	\$5,982	AA
Expendable Resources to Debt	73.2%	A (high)	123.3%	AA (low)
Interest Coverage	8.1x	AA	16.8x	AA
Surplus to Revenue (five-year average)	6.8%	AA	8.5%	AA

Debt Burden

Trent's long-term debt burden totaled \$79.4 million at April 30, 2024 (compared to \$79.3 million at April 30, 2023). This equates to a debt per student full-time equivalent (FTE) of \$5,982 (\$6,697 at April 30, 2023), as calculated by Morningstar DBRS. The ratio has improved over the last few years because of steadily declining debt coupled with enrolment growth. Interest costs remain very low, representing 1.2% of total expense, while interest coverage has improved to 16.8 times (8.1 times at April 30, 2023) supported by ongoing healthy operating results.

² Source: Morningstar DBRS Rating Press Release Trent University, January 8, 2025

The lower debt burden, strong interest coverage and improved expendable resources to debt provides the University with increased flexibility to withstand adverse impacts of the ongoing challenging operating environment without significantly eroding its credit profile. A drop in future enrolment will result in a higher but manageable debt per FTE ratio.



Source: Morningstar DBRS Rating Report Trent University, January 17, 2025

Borrowing Capacity

One of the University's strategic decisions (and in conjunction with the covenants of the debentures) is to make commercially reasonable efforts to maintain (or enhance) its current credit rating. The ranges for the primary financial risk assessment metrics used in Morningstar DBRS's methodology are as follows:

FRA Factor	AA	A	BBB
Debt per FTE ³	< \$13,000	\$13,000 to \$19,000	> \$19,000
Expendable resources to debt ⁴	> 80%	5% to 80%	0%
Interest coverage ⁵	> 2.5x	1.3x to 2.5x	< 1.3x

³ Defined by Morningstar DBRS as total university debt divided by student FTEs where debt includes short-term debt, long-term debt, public-private partnership obligations, capital leases, and loan guarantees less trustee sinking fund assets

⁴ Defined by Morningstar DBRS as expendable resources divided by total university debt where expendable resources include internally restricted endowments, internally restricted net assets (excluding investment in capital assets and employee future benefits and other amounts which are committed to near term uses or otherwise restricted) and unrestricted surplus (deficit)

⁵ Defined by Morningstar DBRS as excess of consolidated revenue over consolidated expense plus amortization less other non-cash adjustments (before change in working capital) plus gross interest charges divided by gross interest charges

Surplus (deficit) to revenue ⁶	> 1%	0% to 1%	Steady deficits
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Source: Morningstar DBRS Methodology - Rating Public Universities, September 2024

Based solely on Morningstar DBRS's current financial risk assessment metrics and assuming all other factors are held constant, including enrolment (which is not likely given the current economic environment), Trent could potentially issue an additional \$40.9 million of debt before negatively impacting its expendable resources to debt score and \$93.1 million of debt before negatively impacting its debt per FTE score.

Primary Metric	2023/2024 Actual	2023/2024 Plus \$40.9M Debt*	2023/2024 Plus \$66.6M Debt*	2023/2024 Plus \$93.1M Debt*
Debt per FTE	\$5,982 (AA)	\$9,063 (AA)	\$11,000 (AA)	\$13,000 Decline to A
Expendable resources to debt	123.3% (AA)	80.0% Decline to A	65.2% (A)	54.5% (A)
Interest coverage	16.8x (AA)	10.7x (AA)	8.7x (AA)	7.3x (AA)
Surplus (deficit) to revenue five-year average	8.5% (AA)	8.4% (AA)	8.3% (AA)	8.2% (AA)

* Assuming additional debt in the form of non-amortizing long-dated debenture at 4.139%

CAUTION: The above analysis does not contemplate the potential challenges that may impact Trent's financial performance, including declining enrolment, in the current and future fiscal years given the current fiscal environment. Furthermore, it does not take into consideration any changes that may impact the critical ratings factors used by Morningstar DBRS. The University should be conservative when considering pro forma capacity in the short to medium term to maintain flexibility and capacity should external factors have a greater impact to the University than anticipated.

Sinking Fund Performance

On February 17, 2017, the University issued \$71 million in Senior Unsecured Series A Debentures to refinance existing indebtedness and finance various capital projects (primarily the Bata Library Transformation project). These debentures bear interest at the rate of 4.139% per annum, payable in equal semi-annual instalments in arrears, with repayment of the principal due on maturity date of February 17, 2057. In 2017, Trent also established a sinking fund with the objective of providing sufficient funds to repay 100% of the principal amount of the debentures by the maturity date.

⁶ Defined by Morningstar DBRS as five-year average of the excess of consolidated revenue over consolidated expense less any non-recurring or one-time revenue or expenses divided by total revenues

As at April 30, 2024, the University had invested \$3.5 million in the sinking fund and the fund had a fair market value of \$3.967 million. The next contribution will be February 2025.

In accordance with the University's policy, the performance of the sinking fund will be reviewed at least once every five years. The last review was conducted in early December 2021 in consultation with Lifeworks, the University's investment consultants. In June 2022, the Sinking Fund investments were invested using the same long-term strategy adopted by the Endowment Funds (25% fixed income, 50% equities, 25% real estate), in an effort to improve investment returns. Based on the review conducted and the change in investment strategy, the University determined the annual contribution of \$500,000 should be sufficient to meet the objective of providing enough funds to repay 100% of the principal amount of the debentures in February 2057. A provision for this annual contribution of \$500,000 has been included in the Operating Budget.

The next review is expected in 2026/2027.

Financial Implications:

The confirmed credit rating has no financial impact on Trent University. The issuance of \$71 million in debentures in February 2017 allowed the University to restructure its existing debt and made available \$10 million in proceeds towards capital projects, in particular, the Bata Library Transformation project.

Trent's credit rating is a strong indicator of the financial health of the University. This key performance metric is one of the nine metrics/ratios used to measure the financial health risk of universities and determine the appropriate course of action under the Ministry's Financial Accountability Framework effective April 1, 2023. As a result of Trent's credit rating of A Stable, Trent is in the Low Action category under this Framework. The Ministry has not responded to Trent's report back on its Low Action plan; therefore, there is currently no indication of any financial implications as a result of the Low Action classification.

Trent's debt per student ratio and debt capacity are indicators used to assess the University's ability to borrow additional funds for future capital projects and to service this debt over the longer term.

The sinking fund analysis, updated at least every five years, is to ensure there are sufficient funds to repay 100% of the principal amount of the debentures in February 2057.

Enterprise Risk Assessment:

Maintaining a strong credit rating has positive implications across the enterprise risk register, including reputational and financial risk. Trent's credit rating is positively impacted by relatively low debt burden, academic profile as a leading primarily undergraduate institution, provincial support regarding stable government grants and tuition fees, strengthening expendable resources and developable lands. Enterprise risks that could negatively impact the credit rating include constrained policy environment and limited control of revenue, smaller local catchment area and sizable employee future benefit liabilities (which will improve with the conversion of the staff pension plan to the UPP). There is also reputational risk and financial risk associated with not meeting operational metrics if the University's credit rating is negatively impacted.

One indicator of financial health is the debt to student FTE. This ratio is an indication of the relative magnitude of the institution's debt when compared to the size of the student body which can be used to evaluate the strategic management of resources.

The estimated debt capacity is an indicator of the amount the University can borrow for future capital projects. The lower the debt capacity, the more limited opportunities to address capital needs through borrowing, creating additional pressure on operating and ancillary annual budgets and/or requiring alternative sources of funding.

Next Steps:

The final press release was released on January 8, 2025 and the final credit rating report was published on January 17, 2025. The credit rating will be reviewed annually before February of each year.

Trent's credit rating is the only reason the University is in the Low Action category under the Ministry's Financial Accountability Framework. Therefore, Trent has engaged Moody's to conduct a second credit rating assessment. Under the Framework, the best credit rating score will be used to determine the action level required. The indicative rating (private rating) from Moody's is expected in February 2025 and will be reported at the next Finance and Property Committee meeting.

Alignment with Mission, Vision, Values, Strategic Plan:

Maintaining (or enhancing) the University's credit rating is a key performance metric in measuring financial sustainability in alignment with Trent's mission to "foster sustainability, in its environmental, social and economic dimensions, on our campuses and in all aspects of our work" and Trent's Strategic Directions to "ensure that it is financially health and sustainable". To fulfill their responsibilities, Governors should be informed of the University's financial situation. Annual reports on Trent's debt capacity will maintain Governors' awareness of the University's current financial status and allow for input and oversight where needed.

Consultation:

The credit rating review is conducted by Morningstar DBRS. Members of Morningstar DBRS met with Tariq Al-idrissi, VP Finance and Administration, and Cheryl Turk, AVP, Finance, on December 10, 2024 to discuss Trent's strategic outlook, operating framework, provincial policy framework, 2023-2024 financial results and 2024-2025 budget projections, enrolment outlook, pension, capital plan, debt projections, endowment fund and fundraising, and ancillary operations, with supporting documentation subsequently provided.

In December 2021, Lifeworks was consulted regarding long-term projections for the recommended discount rate to be used in the analysis of future sinking fund contributions.

Compliance with Policy/Legislation:

A review of Trent's credit rating is required each year prior to the anniversary date of the issuance of the debentures (before February each year). Under the covenants of the debentures, Trent must make commercially reasonable efforts to maintain a credit rating of the debentures.

Committee/Board Mandate:

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

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

Supporting Reference Materials (attached):

Press Release from Morningstar DBRS dated January 8, 2025.



PRESS RELEASE

JANUARY 08, 2025

Morningstar DBRS Confirms Trent University's Issuer Rating and Senior Unsecured Debentures at "A" With Stable Trends

UNIVERSITIES

DBRS Limited (Morningstar DBRS) confirmed Trent University's (Trent or the University) Issuer Rating and Senior Unsecured Debentures credit rating at "A" with Stable trends.

KEY CREDIT RATING CONSIDERATIONS

The credit ratings reflect Trent's academic profile as a primarily undergraduate university in the Province of Ontario (rated AA with a Stable trend by Morningstar DBRS), a low and declining debt burden, and improved operating performance. The credit ratings remain constrained by the current challenging operating environment, which is characterized by the constrained funding and tuition framework and the potential slowdown in enrolment following federal changes to immigration policy affecting international student study permits.

In 2023-24, Trent recorded a consolidated surplus of \$45.9 million, or 15.4% of revenues, as revenues increased across most categories. For 2024-25, Trent's operating budget projects a balanced position; however, a softer enrolment outlook could necessitate the use of available reserves and budget adjustments to offset revenue losses. Over the medium term, the University is actively working to maintain a balanced budget through relatively stable enrolment, use of available reserves, prudent spending and strategic investments.

At April 30, 2024, Trent's long-term debt totalled \$79.4 million, or \$5,982 per full-time equivalent (FTE). The University indicated no plans for material new borrowing. While a drop in enrolment will result in a higher, albeit manageable, debt-per-FTE ratio, Morningstar DBRS believes that the improved interest coverage and expendable resources-to-debt ratios should allow Trent increased financial flexibility within the current credit rating category.

CREDIT RATING DRIVERS

A positive credit rating action is possible if financial risk assessment metrics do not materially deteriorate from current levels over the next 12 to 18 months despite a broadly challenging operating environment. While unlikely, Morningstar DBRS could take a negative credit rating action if there is a significant and sustained deterioration in operating results or a material increase in debt.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE CONSIDERATIONS

There were no Environmental/Social/Governance factors that had a significant or relevant effect on the credit analysis.

A description of how Morningstar DBRS considers ESG factors within the Morningstar DBRS analytical framework can be found in the Morningstar DBRS Criteria: Approach to Environmental, Social, and Governance Factors in Credit Ratings (August 13, 2024) at <https://dbrs.morningstar.com/research/437781>.

CRITICAL RATING FACTORS (CRFs) AND FINANCIAL RISK ASSESSMENT (FRA)

(A) Weighting of CRFs

In the analysis of Trent, the CRFs were considered in the order of importance contemplated in the methodology.

(B) Weighting of FRA Factors

In the analysis of Trent, the FRA factors were considered in the order of importance contemplated in the methodology.

(C) Weighting of the CRFs and the FRA

In the analysis of Trent, the CRFs carry greater weight than the FRA.

Notes:

All figures are in Canadian dollars unless otherwise noted.

Morningstar DBRS applied the following principal methodology:
-- Rating Public Universities (September 6, 2024), <https://dbrs.morningstar.com/research/439045>

Morningstar DBRS credit ratings may use one or more sections of the Morningstar DBRS Global Corporate Criteria (April 15, 2024; <https://dbrs.morningstar.com/research/431186>) which covers, for example, topics such as holding companies and parent/subsidiary relationships, guarantees, recovery, and common adjustments to financial ratios.

The following methodology has also been applied:
-- Morningstar DBRS Criteria: Approach to Environmental, Social, and Governance Factors in Credit Ratings (August 13, 2024), <https://dbrs.morningstar.com/research/437781>.

The credit rating methodologies used in the analysis of this transaction can be found at: <https://dbrs.morningstar.com/about/methodologies>.

A description of how Morningstar DBRS analyzes corporate finance transactions and how the methodologies are collectively applied can be found at: <https://dbrs.morningstar.com/research/431153>.

The related regulatory disclosures pursuant to the National Instrument 25-101 Designated Rating Organizations are hereby incorporated by reference and can be found by clicking on the link under Related Documents or by contacting us at info-DBRS@morningstar.com.

The credit rating was initiated at the request of the rated entity.

The rated entity or its related entities did participate in the credit rating process for this credit rating action.

Morningstar DBRS had access to the accounts, management, and other relevant internal documents of the rated entity or its related entities in connection with this credit rating action.

This is a solicited credit rating.

The conditions that lead to the assignment of a Negative or Positive trend are generally resolved within a 12-month period. Morningstar DBRS trends and credit ratings are under regular surveillance.

Information regarding Morningstar DBRS credit ratings, including definitions, policies, and methodologies, is available on <https://dbrs.morningstar.com> or contact us at info-DBRS@morningstar.com.

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Ratings

Trent University

Date Issued	Debt Rated	Action	Rating	Trend	Attributes
08-Jan-25	Issuer Rating	Confirmed	A	Stb	CA
08-Jan-25	Senior Unsecured Debentures	Confirmed	A	Stb	CA

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Board Report

Session: ☐ Closed Session; ☒ Open Session

Action Requested: ☐ Decision; ☐ Discussion/Direction; ☒ Information

To: Board of Governors

Date: February 7, 2025

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

Subject: Heritage Oversight Annual Report

Motion for Consideration (if applicable):

That the Board of Governors receive the Heritage Oversight Annual Report for information.

Executive Summary:

A delicate balance of asset management, fiduciary responsibility, and heritage preservation shapes a workflow that guides the institution's decision-making process for heritage assets. Various external factors also influence how decisions and projects rise to the top of a heritage priority list. Asset management at Trent has various competing priorities and fiscal challenges; however, philanthropic efforts and interest in our architecture have proven valuable in respecting different heritage features on campus. Supported by the Heritage Stewardship Policy, Trent's assets can be enjoyed for generations to come.

Analysis/Alternatives Considered:

The Heritage Stewardship Policy (Attachment 1) is designed to acknowledge and uplift Trent's award-winning architecture, inspiring interior design, and the surrounding spaces. Three levels of heritage assets have been determined, ranging from those with the highest significance and lasting value (Level 1) to those with no current heritage significance (Level 3). The policy provides guidelines and a mechanism to provide heritage and design advice to the VP of Finance and Administration for renovations and new buildings. The following is a list of projects for assets submitted over the past year to the Heritage Committee for review and advice.

- **Bata Catwalk** -- part of original Ron Thom precinct – Level 1 -- Major renewal; \$1M+
Faryon Bridge – award-winning design, built in 1967 – Level 1-- Major renewal; \$4M+
Champlain College - Great Hall Roof – award-winning design, built 1966 – Level 1 - Beyond its full useful life. Minimum \$3.5 million within the next 2-4 years

Page 2 of 3

- **Riverfront Trail** – Impacts to Champlain College - award-winning design, built 1966 – Level 1; \$3M+
- **Champlain College Mailroom Conversion Project** - award-winning design, built 1966 – Level 1 -\$100K+

The following is a select list of projects for assets that have been determined to have heritage value and that may come forward for review shortly:

- **Kerr House, Traill College – Exterior Walls and Foundations** – Trent's oldest building, built 1853 – Level 1 -- Significant foundation and brick project
- **Lady Eaton College - Senior Common Room** – award-winning design, built in 1968 — Level 1 - Refresh needed.
- **Lady Eaton College – Exterior Courtyard** – award-winning design, built in 1968 – Level 1 -- Restoration work.
- **Environmental Science Building -- Symons Campus - East Bank**, award-winning design, built in 1993 -- Level 1--Rotunda Repairs - staircase / skylights.
- **Scott House, Traill College – Front Porch Renovation** – former home of two mayors, original location of Traill College, built 1883 – Level 1 – Repair of front porch and potential addition of accessible ramp.
- **328 London St., Traill College – Renovation and Expansion** – built c. 1888 – undesignated -- This newly acquired building on the corner of London and Reid Street is in decent shape; however, it needs funds to make it accessible to the broader population.

Financial Implications:

There are no immediate financial implications associated with the adoption of this report.

The lists attached to this report in Attachment 2 further indicate donor gifts, institutional heritage opportunities, and possible donor interests.

Enterprise Risk Assessment:

Actions are directed at carefully managing historic and cultural property, items, spaces, and artifacts.

The backlog is a chronically underfunded liability for the institution that could lead to a severe monetary loss if strategic infrastructure fails in service.

There is also the potential to lose heritage assets if failure is to occur.

Next Steps:

Continue with Annual Heritage Oversight Reports and bring forward any direction-related recommendations in the normal cycle of reports.

Alignment with Mission, Vision, Values, Strategic Plan:

As stated in the attached policy, Trent University is committed to establishing appropriate heritage and cultural resource management policies, engaging others in

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their active promotion, and raising funds to ensure that these heritage assets, sacred spaces, and cultural resources are available for future generations.

Consultation:

Heritage Committee

Compliance with Policy/Legislation:

The Heritage Stewardship Policy

Committee/Board Mandate:

The Board of Governors oversees property, capital, and buildings, ensuring that heritage matters are appropriately addressed under the Heritage Stewardship Policy before approving projects.

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

Supporting Reference Materials (attached):

Attachment 1 - Heritage Stewardship Policy

Attachment 2 – Potential Projects and Donor Interests

Attachment 1 - Heritage Stewardship Policy

Heritage Stewardship Policy

Category: Operations

Approval: Board of Governors

Responsibility: VP Finance & Administration

Date: June 16, 2017

Definitions:

Heritage Stewardship: Actions directed at the careful management of historic and cultural property, items, spaces and artifacts.

Built-Heritage Resources: buildings and structures that have heritage value or interest.

Cultural Heritage Landscapes: a defined geographical area that may include building and structures, natural elements, and spaces that have heritage value, often involving a variety of elements that together create specific meaning or value.

Sacred Spaces: areas of intrinsic, cultural, or spiritual value, typically natural, but may involve human-made additions

Cultural Resources/ Property: human-made items deemed to have cultural heritage value or interest due to historical, artistic, social or scientific importance. Includes moveable objects (e.g. art, artifacts, books, archival material) and immovable objects (e.g. monuments, architecture, archaeological sites). Many of the movable objects at Trent University are guided by specific policies (i.e., Archives: Policy Statement and Art Collection Policy).

Archaeological Resources: artifacts or any other physical evidence of past human use or activity as defined and regulated under the Ontario Heritage Act.

Heritage Attributes: the main features or characteristics that define or create the historic and/or cultural value of interest.

Conservation Plan: A document that outlines how a heritage property will be conserved and/or preserved. The report provides an examination of the current condition of the cultural heritage resource so it can help to identify risks to the historic fabric and heritage attributes, establish priorities for repairs as well as, outline a schedule for heritage maintenance.

Purpose/Reason for Policy:

The Heritage Stewardship Policy provides direction on the identification and maintenance of significant University structures, spaces and cultural resources to ensure they are available for future generations to enjoy. The Policy provides guidance on how to maintain the integrity of important heritage elements while meeting academic and administrative requirements of the University, complying with local building codes, provincial and federal legislative requirements, financial limitations and other considerations. It acknowledges the need for the university to change and grow,

while respecting the intrinsic value and continuity that traditional spaces, buildings and cultural items offer to the university experience.

Scope of this Policy:

The University will identify cultural resources, sacred spaces, and items of built heritage that are of a lasting significance to the University, and these will be addressed by the Heritage Stewardship policy. University property shall be categorized under one of the following levels:

- Level 1 – items, buildings/structures, archaeological sites, landscapes or spaces deemed of significant and lasting value that are inherently part of the Trent fabric, or of significant monetary/cultural heritage value
- Level 2 – items, buildings/structures, archaeological sites, landscapes or spaces that are connected to, or have a direct relationship with Level 1 Resources and those designed with elements used by Ron Thom (i.e., use of levels, concrete, interplay with nature) or are historic buildings with architecturally noteworthy design. These resources have the potential to have cultural heritage value or interest.
- Level 3 – all other items, buildings/structures, archaeological sites, landscapes or spaces that are not, at the present time, deemed to have significant or lasting cultural value.

If there is a building or property that is 40 or more years old that has not been reviewed to determine if it is a cultural resource (i.e. a Level 1 or 2) or a Level 3 resource (i.e. does not have cultural heritage value or interest), then it is recommended that the University completes an evaluation to determine if it is of heritage value prior to its alteration. The evaluation of buildings or landscapes or sacred spaces should be completed by a qualified heritage consultant (i.e., Professional Member of the Canadian Association of Heritage Professionals). From time to time, Level 3 resources should be re-evaluated to ensure they remain appropriately categorized.

Policy Statement:

Trent University is committed to offering an outstanding student experience in a setting that balances natural beauty and thoughtfully-executed design. Trent's award-winning architecture, and particularly its original, mid-century Modern precinct, inspires and elevates learning. As an academic institution with finite resources and a fiduciary responsibility to the public, the University acknowledges it is also in the public interest to maintain the spaces and objects of lasting academic and cultural value. Trent University is committed to establishing appropriate heritage and cultural resource management policies; to engaging others in their active promotion; and in raising funds to ensure that these heritage assets, sacred spaces and cultural resources are available for future generations to enjoy.

The Trent University Heritage Stewardship Policy:

- respects the University's primary academic mission, the need to provide appropriate and competitive student accommodations, and the real financial limitations of the University budget;
- seeks to balance necessary development and modification of spaces with appropriate heritage conservation, providing guidance and flexibility essential for meeting evolving academic, administrative, residential, and financial objectives;
- contributes to the university's distinctive reputation as a high calibre institution with an inspiring natural and built environment;

- promotes an active interest in buildings, landscapes, sacred spaces and cultural resources, their role in the learning environment and their aesthetic value, to the University community and beyond; and provides guidance on the responsible, long term management of these resources;
- is directed primarily at structures, landscapes, sacred spaces and cultural resources with a demonstrable and lasting cultural value; and
- creates an awareness of and encourages an open dialogue on the management of Trent properties, heritage features, sacred spaces and cultural resources.

Responsibilities:

Board of Governors: Responsible for oversight of property, capital and buildings, ensuring that heritage matters have been appropriately addressed in accordance with this policy before approving projects under its purview.

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

Heritage Advisory Committee: As an advisory committee to the Vice President Finance and Administration, assists Facilities Management with the identification, inventorying, assessment, monitoring and management of the University's built heritage, cultural resources and sacred spaces; fosters curricular links to cultural resources, and promotes an interest in and understanding of these spaces and resources; provides input on the development of relevant policies; and assists the Development office with events and fundraising activities to support heritage stewardship.

Facilities Management Department: Responsible for understanding and implementing this policy.

University staff and faculty: Be aware of the policy and seek advice of Facilities Management and/or the Heritage Advisory Committee on its implementation. Take an interest in the heritage elements of the University, and the impact of any decisions on the value of these elements to the learning experience and the heritage value.

Contact Officer:

Associate Vice-President, Facilities

Date for Next Review:

June 2021

Related Policies, Procedures & Guidelines

- a) N/A

Policies Superseded by This Policy:

- a) N/A

Attachment 2 – Potential Projects and Donor Interests

Gifts collected that relate to heritage assets

Designation	Amount
Champlain College Renewal Project	\$357,430
Kerr House Foundation work or Champlain	\$25,000
Traill (project yet TBD)	\$200,000
K House - Otonabee College	\$150,000
LEC Pit Plan	\$10,000

Project list donors have expressed interest

Designation	Amount
Major Gift level for Great Hall Roof	\$100K+
Major Gift level for Champlain Restoration Projects	\$25K-\$50K
Major Gift level for Champlain Restoration Projects	\$25K
Major Gift level for Champlain Restoration Projects	\$25K
Major Gift Level for LEC Capital Project	\$25K-\$50K

Other projects that are discussed for capital renewal or new construction

Project	Details
ENDOWMENTS	
Heritage Stewardship Fund	Endowment fund (currently at \$141,636) plus expendable funds. Donations can be directed toward buildings, features, or furniture restoration.
INFRASTRUCTURE	
Bata Catwalk	Major renewal \$1M+ over the next 3 years (plus \$60K every five years for ongoing maintenance)
Faryon Bridge	Major renewal: \$4M+ over the next 5 years (plus \$100K every 5 years for ongoing maintenance)
Champlain - Great Hall Roof	Beyond its full useful life. Minimum \$3.5 million within next 2-4 years
Champlain - Guest Suite	Refresh needed
LEC - Senior Commons Room	Refresh needed
LEC - exterior	Restoration work
Symons Campus - East Bank	Rotunda Repairs - staircase/skylights
Symons Campus - East Bank	Skylights in rooms on third floor (location TBC)

328 London St. Renovation	This newly acquired building on the corner of London and Reid Street is in decent shape, but funds would make it accessible to all students and allow for either student housing, or other Institutional uses
Crawford House 3rd Floor Renovation	The third floor of Crawford House, which features a large studio space, office, and washroom is currently inaccessible. These funds would permit the construction of a proper, enclosed staircase and renovations of the third floor that would provide much-needed space for a wide range of needs from a student Cabinet space to humanities research lab.
Kerr House	Interior restoration
Kerr House	Significant foundation and brick project ; East side of building foundation is crumbling due to water intrusion
Scott House	Trellis restoration
Scott House	Restoration work
Stewart House Renovation	These funds would offer seed money for a larger renovation of Stewart House, bringing it up to code regarding water and heating and including dynamic student areas such as studio spaces for art classes, a darkroom and video editing suite, a digital media lab, and a cardio/yoga/exercise room.
Stewart Street Promenade	As Traill grows, the need for parking also has expanded. Students now park along Stewart Street between London and Dublin streets. However, there is no direct path from Stewart Street to the College. This means students must walk a half block on a dimly lit street to enter the College. This new pathway and steps would link the back of Scott House and the path to Kerr House with Stewart Street. This well-lit and accessible promenade would both improve the look and accessibility of the College.
Traill Courtyard Renovation	A neglected and inaccessible courtyard area lies between Crawford House, Wallis Hall, Bagnani Hall, and the Amphitheatre. These funds would transform the space into a small oasis replete with accessible paths, improved lighting, seating, and ornamental trees and plantings.
Wallis Hall	Trellis restoration
Wallis Hall	Exterior restoration
Traill Campus	Exterior brick restoration to all buildings
FFE	
Wegner chairs refurbishment	Eighty chairs
Heritage Furniture	other heritage furniture refurbishment TBD
ACADEMIC	
Heritage Curriculum	development of heritage curriculum
FUNDED PROJECTS	
K House Renovation	Otonabee College / Sciences space