### OPEN SESSION

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<th>Time</th>
<th>Item</th>
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<tr>
<td>1:30</td>
<td>1. Remarks from the Chair</td>
<td>Oral</td>
<td>Information</td>
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<tr>
<td>1:35</td>
<td>2. Agenda/Additional Agenda Items</td>
<td>Oral</td>
<td>Decision</td>
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<td>1:40</td>
<td><strong>Consent Agenda</strong></td>
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<td><strong>Motion:</strong> To approve and/or receive for information by consent</td>
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<td><strong>items 3-6 below.</strong></td>
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<tr>
<td>3:00</td>
<td>3. Minutes of the 5 February 2013 Meeting [enclosed]</td>
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<td>Decision</td>
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<td>4:00</td>
<td>4. Report of the President</td>
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<td></td>
<td>a. Recognition and Commendation</td>
<td>1-2</td>
<td>Information</td>
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<td>b. Sabbatical/Administrative Leaves and Administrative</td>
<td>3-8</td>
<td>Decision/Information</td>
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<td>Appointment/Reappointments/Reappointment Change</td>
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<td>5:00</td>
<td>5. Report of the Vice-President, Academic &amp; Provost</td>
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<td>Information</td>
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<td></td>
<td>a. University Professor Designation</td>
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<td>6:00</td>
<td>6. Report of the Vice-President, Administration &amp; Finance</td>
<td>10</td>
<td>Decision</td>
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<td></td>
<td>a. Co-op and Incidental Fee Changes</td>
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### Regular Agenda

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<tr>
<td>1:45</td>
<td>7. Business Arising from the Minutes</td>
<td>11-14</td>
<td>Information</td>
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<td></td>
<td>a. Co-operative Education &amp; Career Action (CECA)</td>
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<td>• Q&amp;A Period</td>
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<td>2:10</td>
<td>8. Report of the President</td>
<td>15-17</td>
<td>Information</td>
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<td>a. Rankings and Strategic Plan</td>
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<td></td>
<td>• Q&amp;A Period</td>
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<td>a. 2013-14 Operating Budget Update</td>
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<td>3:00</td>
<td>10. Report of the Dean of Science</td>
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<td>• Q&amp;A Period</td>
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<tr>
<td>3:20</td>
<td>Break</td>
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<tr>
<th>Time</th>
<th>Agenda Item</th>
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| 3:35 | 11. Research Presentation: Professor David Cory, Department of Chemistry  
• Q&A Period |
| 3:55 | 12. Reports from Committees  
a. Building & Properties |
| 4:05 | b. Finance & Investment |
| 4:15 | c. Pension & Benefits |
| 4:25 | 13. Other Business |

**CONFIDENTIAL SESSION**

4:30 **Consent Agenda**

**Motion:** To approve by consent items 14 and 15 below.

14. Minutes of the 5 February 2013 Meeting [enclosed]  
15. Report of the President  
   a. New Appointments with Tenure  
   b. Tenure Recommendations

**Regular Agenda**

4:35 | 16. Business Arising from the Minutes |
4:40 | 17. Report of the Vice-President, Advancement  
Oral  
Information |
4:50 | 18. Report from the Governance Committee  
CS8-CS32  
Decision/Information |
5:00 | 19. Other Business |

20. Next Meeting  
   Tuesday 4 June 2013 at 1:30 p.m. with dinner to follow

21. Adjournment

**Note:** To allow the board to complete a number of matters quickly and to devote more of its attention to major items of business, the agenda has been divided between items that are to be approved and/or received for information by consent and those that are to be presented individually for discussion and decision and/or information.

A consent agenda is not intended to prevent discussion of any matter by the board, but items listed under the consent sections will not be discussed at the meeting unless a governor so requests. Governors are supplied with the appropriate documentation for each item and all items will be approved by means of one omnibus motion. The board will then move immediately to consideration of the items on the regular agenda.

JLA:tad/25 March 2013

Logan Atkinson, Secretary of the University

Please convey regrets to Tracy Dietrich at (519) 888-4567, x36125 or tdietrich@uwaterloo.ca
FOR INFORMATION

Recognition and Commendation

Ondrej Lhotak, associate professor of computer science, has been named an Outstanding Young Computer Science Researcher by the Canadian Association of Computer Science. Professor Lhotak joins Professor Ian Goldberg (2010) and Professor Bin Ma (2009) in a growing list of distinguished faculty members who have won this researcher prize. Lhotak’s research focuses on programming languages, compilers, and program analysis, with a specific focus on object-oriented languages. Program analysis has long been used to generate efficient code, and is increasingly being used in software engineering tools. These applications require precise and efficient program analyses. Increased modularity enabled by object-oriented languages makes interprocedural analysis necessary for precise results. As a result, he is working on making precise interprocedural analyses efficient enough to be practical. [8 March 2013 Daily Bulletin]

Professor Matteo Mariantoni, from the Institute for Quantum Computing and physics & astronomy, has won a Sloan Research Fellowship from the Alfred P. Sloan Foundation, valued at $50,000 over two years. Professor Mariantoni is the 11th University of Waterloo researcher to receive a Sloan Fellowship. “The Sloan Research Fellowships seek to stimulate fundamental research by early-career scientists and scholars of outstanding promise. These two-year fellowships are awarded yearly to 126 researchers in recognition of distinguished performance and a unique potential to make substantial contributions to their field.” [20 February 2013 Daily Bulletin]

Researcher Kevin Resch (physics & astronomy, Institute for Quantum Computing) was awarded the Natural Sciences and Engineering Research Council of Canada’s (NSERC) E.W.R. Steacie Memorial Fellowship at a recent ceremony at Rideau Hall in Ottawa. Designed to “enhance the career development of outstanding and highly promising scientists and engineers who are faculty members at Canadian universities,” the Steacie Fellowships are highly sought-after hallmarks of professional success and potential. Professor Resch is an experimental physicist working in quantum information science, in particular the development of quantum sources of light and interferometric sensors. He is one of six winners who each receive a research grant of $250,000 over two years. NSERC’s E.W.R. Steacie Memorial Fellowships honour the memory of Edgar William Richard Steacie, an outstanding chemist and research leader who made major contributions to the development of science in Canada during, and immediately following, World War II. [27 February 2013 Daily Bulletin]

The University of Waterloo Stratford Campus’ MicroTiles wall, the tallest of its kind in the world, was selected as the Gold Winner in the Education and Healthcare category of the 2013 DSE Apex Awards, which honour innovation in the development and deployment of technology in the global Digital Out-Of-Home (DOOH) industry. The wall stands three storeys tall and is located in the atrium of the Stratford Campus. It is made up of 150 MicroTiles units, stacked five units wide and 30 units high, or 6.5 feet by 30 feet. Nominated by Westbury National Show Systems Ltd. and chosen by an independent panel of industry journalists, this year’s Apex Award finalists were named from a field of nearly 90 entrants, in 10 major digital signage categories. Gold, Silver and Bronze Apex Awards (in each category) were presented at an awards banquet held on the opening night of DSE 2013 on Wednesday 27 February at Caesars Palace in Las Vegas. The MicroTiles wall was installed through a partnership of Westbury National Show Systems, rpVisual Solutions, Christie Digital and the University of Waterloo Stratford Campus. [5 March 2013 Daily Bulletin]
The University of Waterloo was named the recipient of the Leadership Giving Award at the United Way Kitchener Waterloo & Area’s Community Spirit Awards ceremony held 28 February 2013 at the Waterloo Inn. Community Spirit Awards recognize individuals and organizations that have made a difference in the community through their involvement with United Way KW. The Leadership Giving Award “recognizes an organization that most successfully organized an exceptional Leadership Giving Campaign through motivation and encouragement of giving personal gifts of $1,000 or more.” The University of Waterloo was nominated alongside Economical Insurance, Equitable Life, FEDDEV, Stantec, and Teledyne DALSA. The university’s United Way campaign raised $280,000 in 2012. [1 March 2013 Daily Bulletin]

Feridun Hamdullahpur
President
Sabbatical and Administrative Leaves

UW Policy 3, Sabbatical and Other Leaves for Faculty Members [excerpts below, full text available at: http://wwwadm.uwaterlooca/infosec/Policies/policy3.htm], sets out the purpose of leaves for faculty members as well as the requirements/responsibilities of faculty who are granted such leave.

The granting of a leave . . . depends on the University's assessment of the value of such leave to the institution as well as to the individual, and on whether teaching and other responsibilities of the applicant can be adequately provided for in her/his absence. A faculty member who is granted a sabbatical or other leave is expected to return to duties in the University for at least one year and upon return will be expected to submit a brief report to the Department Chair regarding scholarly activities while on leave.

The purpose of a sabbatical leave is to contribute to professional development, enabling members to keep abreast of emerging developments in their particular fields and enhancing their effectiveness as teachers, researchers and scholars. Such leaves also help to prevent the development of closed or parochial environments by making it possible for faculty members to travel to differing locales where special research equipment may be available or specific discipline advances have been accomplished. Sabbaticals provide an opportunity for intellectual growth and enrichment as well as for scholarly renewal and reassessment.

. . . the granting of sabbatical leave is contingent upon the faculty member's department being able to make the necessary arrangements to accommodate such an absence, and also upon the financial resources of the University in any given year. Should problems arise in any of the above, it may be necessary to postpone individual requests until such time as all the conditions can be satisfied.

- **Sabbatical Leaves**
  - **Balogh, Michael**, Physics and Astronomy, September 1, 2013 to August 31, 2014 at 85% salary  
    I will spend twelve months at Leiden Observatory, working with collaborators there on observational and theoretical projects related to galaxy evolution. The main goal will be to combine data from a sample of galaxy groups with Dr. Muzzin’s sample of galaxy clusters, to establish a definitive study of galaxy environment at z=1.

  - **Baranoski, Gladimir**, Computer Science, July 1, 2013 to December 31, 2013 at 100% salary  
    The main purpose of this leave is to conduct collaborative research on light and matter interactions. This research will involve activities at Canadian and Foreign institutions.

  - **Boychuk, Gerard**, Political Science, July 1, 2013 to June 30, 2014 at 97.5% salary  
    I will undertake a major research project on the effects of the financial crisis on public opinion regarding income distribution and income redistribution policy in Canada and the United States. The project will require considerable research and dissemination travel within Canada and the United States.
Bruce, Gary, History, July 1, 2013 to December 31, 2013 at 100% salary
I will use this leave to finish the research and to write the majority of my book manuscript on the history of the Berlin Zoo, 1844-1990.

Cormack, Gordon, Computer Science, September 1, 2013 to August 31, 2014 at 85% salary
I plan to conduct experiments to improve, validate, and defend the use of Technology Assisted Review for electronic discovery in civil litigation, in collaboration with a New York law firm.

Cukier, Judie, Geography and Environmental Management, July 1, 2013 to December 31, 2013 at 85% salary
This six month sabbatical will primarily be spent analysing tourist 900 surveys on handicrafts that have been collected in Cuba. The data have been entered into SPSS and I now need to spend the time on analysis, interpretation and reposting of results. This data set emerged from a SSHRC funded project entitled “Sustaining Livelihoods: Handicrafts and Tourism in Cuba.”

Curry, Philip, Economics, July 1, 2013 to December 31, 2013 at 100% salary
My primary area of research is law and economics, and I find collaborations with law faculty to be very productive. I will complete a paper with co-authors in Minnesota’s Law School, as well as papers with colleagues here, and discuss new work with people in Toronto’s Law School.

Doucet, Mathieu, Philosophy, July 1, 2013 to December 31, 2013 at 100% salary
During my sabbatical, I plan to write two papers on the moral significance of self-knowledge: one paper on the connections between weakness of will and regret, and second on the connections between moral failures and failures of self-assessment. I also plan to write a third paper on the ethics of mandatory drug testing in sports.

Friedman, Ori, Psychology, July 1, 2013 to December 31, 2013 at 85% salary
I intend to write-up unpublished and incoming data, to write an overview of my research on ownership of property, and to prepare a SSHRC workshop grant. I will continue to maintain my research program at Waterloo, and will be in constant contact with my graduate students, undergraduate thesis students, and research assistants. I may be stationed at another institute for the sabbatical, and if this works out, I hope to start new collaborations.

Gibson, Robert, Environment and Resource Studies, January 1, 2014 to June 30, 2014 at 85% salary
The sabbatical will be devoted to work on two projects: a SSHRC project that I lead on designing next generation environmental assessment law and policy; and a book on “Sustainability Assessment: Applications,” to complement my earlier book on “Sustainability Assessment: Criteria and Processes.”

Glover, Tony, Recreation and Leisure Studies, January 1, 2014 to December 31, 2014 at 85% salary
My first six months of my sabbatical will be spent in the Department of Tourism at the University of Otago (New Zealand) where I aim to build relationships with colleagues and discuss the possibility of formal research collaborations; I will focus much of my time drafting manuscripts on social capital; finally, I am keen to begin my next SSHRC application.
Gong, Guang, Electrical and Computer Engineering, September 1, 2013 to August 31, 2014 at 85% salary
My research interests are in the areas of signal design, cryptography and communication security. During my sabbatical leave, I plan to visit three universities (Shanghai Jiao Tong University, University of Southern California and Harvard University).

Gorbet, Robert, Faculty of Environment (Centre for Knowledge Integration), September 1, 2013 to August 31, 2014 at 100% salary
Over the past ten years, I have developed strong practical experience collaborating across significant disciplinary divides. Since moving to the Centre for Knowledge Integration in 2010, my research interests are shifting to the study of interdisciplinarity and collaboration. On sabbatical I intend to study theory of interdisciplinarity, complementing my practical experience and bolstering my foundation for this new research direction.

Gunz, Sally, Accounting and Finance, July 1, 2013 to December 31, 2013 at 85% salary
The sabbatical leave will be used to work on current and one new research project and in particular a study of ethical decision making by lawyers in large corporate law firms.

Hanning, Rhona, Public Health and Health Systems, September 1, 2013 to August 31, 2014 at 93.3% salary
Proposed CIHR operating grant will be an extension of current multi-faceted evaluation of the Ontario School Food and Beverage Policy (P/PM 150) that I am currently conducting in the Region of Peel looking at variation across the province and, potentially, other regions of Canada. I also plan to submit grants to extend our Aboriginal research to a cost-benefit evaluation of a school meal program for Ontario First Nations. Further, I also plan to conduct pilot work and secure funding towards a process and metabolic outcomes evaluation of a nutrition and exercise intervention for UW students experiencing concerns related to anxiety, depression and mood disorders.

Hochstetler, Kathryn, Political Science, July 1, 2013 to June 30, 2014 at 85% salary
Conduct two months of fieldwork in South Africa (SSHRC-funded) and write four-five articles on Brazilian and South African energy. Apply for another SSHRC grant. Spend the year as an uncompensated Visiting Fellow of the School of Global Environmental Sustainability of Colorado State University, US. Receive 10,000 Euros to be non-teaching visiting professor in Germany during October.

Larson, Brendon, Environment and Resource Studies, January 1, 2014 to June 30, 2014 at 85% salary
I plan to revise my field course in natural history/biology and my doctoral seminar on critical analysis and research in environmental studies, complete a backlog of manuscripts on the social dimensions of biological conservation (both solo-authored and collaborative) and begin new collaborative international projects (likely in South Africa, where pertinent issues related to invasive species are rife).

McMurry, Andrew, English Language & Literature, July 1, 2013 to June 30, 2014 at 85% salary
I will be working on two books. One ("Eco Moralia: Reflections on Damaged Planet") is projected at 100,000 words of which I’ve written about 30,000. The other ("Useable Transcendentalism") is creative non-fiction, and consists of three long chapters, two of which are written. The last chapter is a rewriting of 19th century American essayist Margaret Fuller’s 1843 travelogue of the Great Lakes.
Mitchell, Bruce, Geography & Environmental Management, July 1, 2013 to June 30, 2015 at 100% salary

Moos, Markus, Planning, July 1, 2013 to December 31, 2013 at 100% salary
My research is on the policy and planning implications of the changing economy and social status of cities. I intend to use my time during the sabbatical leave to publish current research on labour-housing market interactions, to develop new research questions in this field, and for professional development. The leave will permit me to focus on submitting manuscripts for review and to apply for new funding on the urban planning and economic development implications of contemporary economic restricting. The objective is to use the time to continue building my research in preparation for tenure application.

Orchard, Jeff, Computer Science, August 1, 2013 to July 31, 2014 at 89.2% salary
I will be spending the year working with psychologists, mathematicians, computer scientists, and neuroscientists at the University of Bristol. We will implement cognitive models using networks of spiking neurons.

Parry, Diana, Recreation and Leisure Studies, January 1, 2014 to December 31, 2014 at 85% salary
I will spend the first six months of my sabbatical in the Department of Sociology and Gender Studies at the University of Otago (New Zealand) where I aim to discuss future research collaborations; I will spend most of my time completing a book titled “Qualitative Inquiry to Change the World”; finally, I will draft manuscripts from a research project on women’s experiences with roller derby.

Patel, Hiren, Electrical and Computer Engineering, September 1, 2013 to February 28, 2014 at 100% salary
I plan to spend a majority of the time in Waterloo working with my graduate students in the area of system-level design methodologies and embedded systems. Prospective collaborations will be pursued at Columbia University and University of California focusing on research related to compilers and computer architecture.

Salehian, Armaghan, Mechanical and Mechatronics Engineering, July 1, 2013 to December 31, 2013 at 100% salary
My main tasks during this sabbatical include writing proposals and research papers to better prepare for my tenure application. I am hoping to proceed with research proposals with Silicon Pro in Ottawa for designing self-contained sensors for current measurements. I am also hoping to establish connections with GREenergyTEC which specializes in conversion of wasted mechanical energy into green electrical energy.

Schneider, Gerald, Mechanical and Mechatronics Engineering, September 1, 2013 to August 31, 2014 at 100% salary
It is time to ramp up my research programs again. This will be on two fronts: Microfluidic computational fluid dynamics with application to medical lab-on-a-chip devices; and application of previously developed CFD algorithms to important application areas including airframe icing, rarefied high speed flows, and combustion kinetics as in rocket propulsion and internal combustion engines.
Stolz, Jennifer, Psychology, July 1, 2013 to December 31, 2013 at 85% salary
My sabbatical plans include collaborating with the world-renowned evolutionary psychologist Gordon Gallup on several projects investigating the evolutionary pressures shaping human cognition. In addition, I will also spend this time developing a new course in Evolutionary Psychology for my home department.

Sundaram, Shreyas, Electrical and Computer Engineering, July 1, 2013 to December 31, 2013 at 100% salary
I will be collaborating with Professor Y. Paschalidis and others at Boston University on research projects pertaining to distributed control of networked systems, pertaining to issues such as security, reliability and efficiency.

Tan, Ken Seng, Statistics and Actuarial Science, May 1, 2013 to April 30, 2014 at 100% salary
The sabbatical leave enables me to focus on activities including: managing two research grants (I am principal investigator); enhancing research on increasing the efficiency of quasi-Monte Carlo methods; optimal reinsurance under an insurer’s liability risk-adjusted value; and optimal reinsurance on agriculture risk; organizing two international conferences; completing Fellowship of the Society of Actuaries’ requirements.

Tsuji, Leonard, Environment and Resource Studies, September 1, 2013 to February 28, 2014 at 100% salary
The majority of my time will be spent in the field working on my food security projects in the James Bay region of subarctic Ontario. I will also be working on the collaborative-informatics project while also establishing the foundation for future research in Australia. Lastly, several of my longitudinal health studies are complete; thus I will also be writing articles.

Weng, Chengguod, Statistics and Actuarial Science, September 1, 2013 to February 28, 2014 at 100% salary
The purpose of my sabbatical leave is to produce research outputs to the greatest extent. The planned research topics include: dependence calibration in conditional copulas; optimal reinsurance designs; stochastic modelling in insurance and finance. I plan to spend a fair amount of time on campus to work with students and colleagues, while I also plan to visit several universities to develop/strengthen research collaboration.

Wettig, Shawn, Pharmacy, September 1, 2013 to August 14, 2014 at 85% salary
Sabbatical leave will be spent as follows: three to four months at IECB (Bordeaux, France) working on a WIN – Ubordeaux collaboration through the IDS FunMat program (joint supervision of PhD student). The project involves engineered bone growth using gene therapeutic approaches. The remainder will be spent in Kitchener working on studies involving new CFI equipment.

Wolkowicz, Henry, Combinatorics and Optimization, July 1, 2013 to June 30, 2014 at 85% salary
My research deals with understanding, proper modelling and designs of optimization algorithms that exploit structure. Two important projects are determining protein structure and sensor network localization. A common underlying theme is that these programs are large scale and ill-posed. However, I plan to exploit the special structure and study preprocessing of the individual problems and take advantage of the degeneracy.
Woudsma, Clarence, Planning, July 1, 2013 to December 31, 2013 at 100% salary

The goals for this leave are to disseminate findings from recently completed research projects and involvement as graduate supervisor – writing papers on alternative fuel vehicle station locations and neighbourhood design for active transportation. The second is to develop a SSHRC Insight Development Grant proposal based on outcome of work as visiting scholar at Universite de Paris-Est, where I will be working the month of September. The topic is logistics land and infrastructure development and impacts on city form and function.

- Administrative Leave
  Mitchell, Bruce, Geography & Environmental Management, July 1, 2015 to October 31, 2015 at 100% salary
  [See description above, sabbatical leave July 1, 2013 to June 30, 2015]

FOR INFORMATION

Administrative Appointment/Reappointments/Reappointment Change

Carvalho, Emanuel, reappointment as Associate Dean, Co-op, Administration and Planning, Faculty of Arts, September 1, 2014 to June 30, 2017.

Chesney, William, reappointment as Associate Dean, Undergraduate Studies, Faculty of Arts, September 1, 2013 to June 30, 2016.

Huissoon, Jan, appointment as Chair, Mechanical and Mechatronics Engineering, Faculty of Engineering, February 4, 2013 to December 31, 2016.

Ismail, Fathy, reappointment as Interim Chair, Mechanical and Mechatronics Engineering, Faculty of Engineering, change from January 1, 2013 to April 30, 2013 to January 1, 2013 to February 3, 2013.

Oldford, Wayne, reappointment as Associate Dean, Computing, Faculty of Mathematics, July 1, 2013 to June 30, 2014.

Feridun Hamdullahpur
President
University of Waterloo
BOARD OF GOVERNORS
Report of the Vice-President, Academic & Provost
2 April 2013

FOR INFORMATION

University Professor Designation
The 2013 University Professor designation: Douglas Stinson (computer science).

Waterloo has awarded this distinction to nineteen other individuals: Garry Rempel (chemical engineering), Mary Thompson (statistics & actuarial science) and Mark Zanna (psychology) in 2004; Terry McMahon (chemistry), Cam Stewart (pure mathematics) and Robert Jan van Pelt (architecture) in 2005; Phelim Boyle (accountancy) and Ian Munro (computer science) in 2006; Ken Davidson (pure mathematics), Keith Hipel (systems design engineering) and Jake Sivak (optometry) in 2007; Roy Cameron (health studies & gerontology) and Flora Ng (chemical engineering) in 2008; Ellsworth LeDrew (geography & environmental management) and Ming Li (computer science) in 2009; Stuart McGill (kinesiology) and Janusz Pawliszyn (chemistry) in 2010; Robert Le Roy (chemistry) in 2011; and François Paré (French studies) in 2012.

UNIVERSITY PROFESSOR
The University of Waterloo owes much of its reputation and stature to the quality of its eminent professors. UW recognizes exceptional scholarly achievement and international pre-eminence through the designation “University Professor”. Once appointed, a faculty member retains the designation for life.

Not counting retirees, it is anticipated there will be 14 University Professorships at steady state, with at most two appointments each year. Such appointments are reported to Senate and the Board of Governors in March and April respectively, and are recognized at Convocation.

Selection Process
1. Annually, nominations will be sought from Deans, Directors and Chairs, as well as from the University community generally. A nominee shall have demonstrated exceptional scholarly achievement and international pre-eminence in a particular field or fields of knowledge. The individual who nominates a colleague is responsible for gathering the documentation and submitting it to the Vice-President, Academic & Provost before the December break. The University Tenure and Promotion Committee will act as the selection committee; its decisions are final.

2. A nomination must be supported by at least six signatures from at least two UW departments/schools and must be accompanied by a curriculum vitae and a short, non-technical description of the nominee’s contributions.

3. A nomination must also be accompanied by letters from the nominee’s Dean, and from at least two and no more than five scholars of international standing in the nominee’s field from outside the University. The scholars are to be chosen by the nominee’s Chair/Director in consultation with the Dean and the nominator. The letter of nomination should explain why these particular scholars were chosen.

4. Letters soliciting comments from scholars shall be sent by the Chair/Director. Scholars shall be asked to comment on the impact and specific nature of the nominee’s most influential contributions, addressing their responses directly to the Vice-President, Academic & Provost.

5. The dossiers of unsuccessful nominees remain in the pool for two additional years. The appropriate Dean should provide updated information each year.

Geoff McBoyle
Vice-President, Academic & Provost
FOR APPROVAL

Co-op and Incidental Fee Changes

1. Co-op Fee
The undergraduate Co-op Fee assessed to students registered in co-operative education programs is recommended to increase from $623/term to $641/term effective spring term 2013. There is no increase on the $25/term portion of the fee which is applied to the Tatham Centre building debt; the remaining portion of the fee ($623-$25=$598) increases 3% to $616. The graduate Co-op Fee is recommended to increase 3% to $616 effective spring term 2013.

2. Student Services Fee
It is recommended that the compulsory Student Services Fee assessed and collected each term from all full-time and part-time undergraduate and graduate students be changed effective spring term 2013.

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<th>Current 2012/13</th>
<th>Proposed 2013/14</th>
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<tr>
<td>Undergraduate full time</td>
<td>$136.00</td>
<td>$127.00</td>
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<td>Undergraduate part time</td>
<td>41.00</td>
<td>38.00</td>
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<td>(on campus)</td>
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<tr>
<td>Graduate full time</td>
<td>120.00</td>
<td>108.00</td>
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<td>Graduate part time</td>
<td>36.00</td>
<td>32.40</td>
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<td>(on campus)</td>
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Comments:
- The fee is developed in accordance with the Student Services Protocol approved by the Board of Governors in April 1994
- Services include Athletics & Recreational Services, Health Services, Centre for Career Action, Counselling Services, Student Success Office – Student Experience – 1st Year, Writing Clinic, Student Resources Office, Student Security Service, Art Gallery, OHD – Student Leadership Program, OPD – Accessible Transportation
- The majority of members on the Student Services Advisory Committee are students; the committee unanimously recommends the fee changes

3. Health Services Building Fee
It is recommended that a new compulsory Health Services Building Fee be assessed and collected from all full-time undergraduate and graduate students at $10.00/term, and part-time graduate students at 30% of the full-time fee or $3.00/term commencing the spring term 2013.

Comments:
- The fee is assessed only on students registered for programs offered at one of our Waterloo or Kitchener locations (excludes student in Cambridge and Stratford)
- The fee is indexed annually by CPI (to a maximum of 2%/year) and will continue for approximately 20 years until the capital contribution of $7.75 million plus interest is funded for the Health Services addition
- The project and fee was approved by student referendum in 2009/10
- The fee commences “the term after the Health Services Extension opens to students”

Dennis Huber
Vice-President, Administration & Finance
Co-operative Education & Career Action (CECA)  
Report to the Board of Governors, April 2, 2013

This report covers the following areas:
1. Trends in co-op enrolment and employment rates
2. Key accomplishments
3. Priorities for the next two years

Trends in co-op enrolment and employment rates
The student employment rates have remained over 95% for the past eight calendar years. Since 2009, the number of scheduled co-op work terms has increased by over 6% annually and will exceed 17,500 in calendar year 2013. There are now over 140 co-op programs available, including a few in graduate programs. This term, Winter 2013, we passed a milestone of 6,000 students employed on a single term.

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Students scheduled out</th>
<th>Co-op employment rate</th>
<th>Ontario employment rate</th>
<th>Canada employment rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>13,226</td>
<td>98.0%</td>
<td>92.0%</td>
<td>88.0%</td>
</tr>
<tr>
<td>2009</td>
<td>14,850</td>
<td>96.0%</td>
<td>90.0%</td>
<td>86.0%</td>
</tr>
<tr>
<td>2010</td>
<td>16,836</td>
<td>94.0%</td>
<td>88.0%</td>
<td>84.0%</td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td>90.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td>88.0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

To maintain consistently high employment rates with the increase in students, CECA is focusing on job development with current and new employers. We continue to promote the terrific talent here through a poster campaign on GTA GO trains, advertisements in select trade journals, trade show participation and hosted networking events for current and prospective employers. The department reorganization that completed in January 2012 focuses job retention and development in specific roles, and we are adjusting our performance tracking to maximize its value to managers. The employer recognition program introduced last year was very well received. Job development will continue to be critical in a sluggish economy and in an increasingly competitive environment.

Interview schedules have increased about 20% year over year as well. We average over 5,500 job postings and 150,000 student applications per term. Phone and webcam interviews have increased, but at a slower rate than expected. People, process and physical space capacity remains a challenge; some processes have recently been automated, reducing costs and time, and planned building renovations
have not yet started. The new systems project is well underway, offering further improvements in our processes. Adequate space and staffing remain a challenge.

Waterloo students have worked in 96 different countries outside Canada in the past 4 years. Within Canada, students have worked across a broad range of industries, as categorized by the North American Industry Classification System (NAICS).

The university remains the largest single employer of our co-op students. Two-thirds of university work terms over the past five years were in the Faculties, and over half the work terms in Faculties have been in research, providing opportunity to students to experience academic research.

**International co-op**

International visa co-op students continue to be successful in co-op. Visa students from 58 countries worked on over 1,000 work terms in each of the past two years; most are employed in Canada. The employment rate of visa students does not differ materially from the general co-op population.
Key accomplishments

Employer relations
Last year’s Top Employer recognition reception, held in National Co-operative Education week at the Tannery, was very well received by employers. Awards were presented by the President, and awards to employers unable to attend were presented personally by co-op staff. Many employers have prominently featured the Waterloo co-op awards in their facilities and through internal and external communications. In fact, Microsoft mentions the award in their campus recruitment posters. This year will feature a reception honouring Waterloo region employers who hire students on their first work terms, as well as recognition events in California and New York. These events are part of an employer recognition plan that will highlight different groups of employers in different locations each year.

Assessment of the Integrated Accounts pilot, which offers expanded support to large employers who have multiple relationships with the university, was completed in fall 2012, and plans to operationalize and extend the program are underway. Employers are also contributing to workshops and video highlights in courses and career programs.

Department reorganization
The department reorganization was largely complete in January of 2012. The introduction of new roles focusing on job retention and development has enabled us to keep pace with co-op enrolment growth. Notwithstanding the challenges of the university’s most extensive reorganization to date, staff have largely learned their new roles and are operating effectively in them. The reorganization has been of great interest to other co-op institutions, and some are considering similar changes. An orientation program for new full time, contract and co-op student staff members was introduced, recognized as a best practice at the university, and transitioned to Human Resources for further development.

Systems
Several upgrades to the current JobMine system were implemented in 2012, including PDF resumes and performance improvements. JobMine upgrades will continue to be limited as we focus on implementing new technology to replace JobMine as well as several associated applications. A technology strategy for CECA, consisting of five initiatives, was developed, and in December, 2012, Waterloo engaged Orbis Communications to deliver a technology platform to support the first two initiatives: our core employment process and interview day services.

Co-op learning outcomes
Regular required reviews of undergraduate programs must provide evidence of the attainment of University Degree Level Expectations (UDLEs) as set out by the Ontario Council of Academic Vice-presidents (OCAV). Research into the use of employer evaluations of co-op performance on work terms to determine attainment of learning outcomes, in collaboration with Engineering research into Canadian Engineering Accreditation Board requirements, has resulted in a new employer assessment tool and methodology being introduced to employers this term, as planned.

Centre for Career Action (CCA)
In partnership with the Graduate Studies Office and the Faculty of Arts the CCA has significantly enhanced programming (workshops and individual advising) for graduate students. Working with Science, the Career View Mirror (online tool featuring stories of Science alumni; launched Feb. 2013) provides targeted career support for students. A drop-in advising service begun in 2012 has been tremendously popular with all levels and streams of students. Career outcomes for university graduates

is an area of increasing focus for students, the media and government; partnerships with Faculties
enable CCA to reach students most effectively.

Co-op review and stakeholder research
A review of the co-operative education program across campus, facilitated by the Director, WatCACE
(Waterloo Centre for the Advancement of Co-operative Education), was completed in fall 2012. In
parallel, stakeholder research to determine priorities to advance Waterloo’s leadership in co-operative
education, and the critical factors for student and employer success in the co-op experience, was
conducted and informed the co-op review. Students, employers, faculty, staff and alumni engaged in
many facilitated discussions, and appreciated the opportunity to contribute and to hear perspectives
from other stakeholder groups. Recommendations from the stakeholder research include positioning
students for success in the first work term, providing social support for students on work terms,
improving employer engagement and insight, and integrating classroom and work term learning.
Implementation plans for those recommendations are in progress, within the resource constraints of
2013/14 budgets.

Priorities for the next two years
Student and graduate employment remains a major priority for CECA; enrolment growth requires
extensive job development for co-op work terms and graduates, with a focus on targeted programs, as
well as more space. Other priority areas through 2014 positioning students for success in the first work
term, employer relations, support for university initiatives, and improving department capability and
capacity. Specific initiatives include:
• Student success on first work term
  o Launch a new version of the WatPD1 (Co-op Fundamentals) course
  o Conduct a series of small “experiments” before, during and after the first work term to
determine the best opportunities to improve student success; scale up top opportunities
• Employer relations
  o Launch account planning, expand integrated accounts and develop an employer
    segmentation strategy
  o Implement the next phases of the employer recognition program
• Department capability and capacity
  o Implement the first two initiatives in the new technology platform, and begin planning for
    initiatives 3 – 5
  o Roll out quantitative performance indicators and develop student and employer experience
    measures
  o Staff development initiatives, including a competency framework, a training and
development plan, and ongoing management development.
• Supporting University-driven initiatives, such as:
  o Feasibility studies for proposed academic programs and programs under review
  o Strategic planning in the Faculties
  o Internationalization

University of Waterloo  
BOARD OF GOVERNORS  
Report of the President  
2 April 2012

FOR INFORMATION

Update on rankings strategy

One of the most visible metrics we can use to measure our progress towards the University of Waterloo’s stated goal of achieving a level of excellence compatible and comparable with the top 100 universities in the world is an improvement in our standing in international rankings. In order to address this, over the past year we have done a detailed analysis of our approach to the rankings and their specific methodologies. We learned that:

- We did not have the full appreciation of some of methodologies and the knowledge of how to fully maximize the University of Waterloo’s position by better interpreting and adjusting data requirements within the given definitions;
- We did not address some of Waterloo’s unique areas with the rankings organizations where we may be at a disadvantage using the standard definitions, such as co-op time to completion; and
- We did not have a full appreciation of the importance of internal and external communication for rankings, especially for those wherein reputation carried significant weight.

Following the board meeting of October 2012, we have formed a steering committee made up of Tim Jackson, Nello Angerilli, Ellen Réthoré, Nick Manning, Daniela Seskar-Hencic, Stacey Ash, and Jana Carson to address the above factors. We are also adopting a four-pronged strategy that involves:

1. Improvement to data submissions and analytics
2. Internal engagement with the academic community
3. Strategic communication, and
4. Strengthening the University of Waterloo’s international efforts

Improvement to data submissions and analytics

We will continue to monitor and report on rankings results and will provide additional data to inform communications strategies. Moving forward, we will continue to build relationships with analytic experts at rankings organizations, investigate key conferences on rankings methodologies in order to advance our knowledge and maximize Waterloo’s output, review our submissions to identify and address gaps in data and information, and assess best practices in improving university rankings based on consultation with our peer institutions. Institutional Analysis and Planning (IAP) will compile an analysis of our areas of strength and weakness.

Internal engagement with the academic community

We will develop an internal communication program that will include increasing awareness among university faculty and staff regarding the importance of rankings, and how rankings contribute to attracting the best students, international collaborations, and funding. We will develop standards on how faculty members could present themselves when involved in international conferences, and how faculty members could “sign off” in op-ed and opinion pieces submitted to the media. We will build a shared list
of international contacts and provide incentives to facilitating strategic initiatives that will strengthen our rankings position.

Strategic communications

In the past six months we have placed ads for the university in key Canadian publications, timed ads in Asian markets that coincided with travel there by university leadership, and both increased our presence and developed a communications strategy for international events such as meetings of the American Association for the Advancement of Science (AAAS), considered one of the most important international science venues. We secured an article in the New York Times, built a significant social media presence, and developed a strategy, redesigned and launched the University of Waterloo’s website with top-level pages that focus on researchers and the impact of their research. Moving forward, we will conduct a second wave of quantitative research on awareness and reputation, create a coherent campus-wide brand identity, and finalize and implement a strategic marketing and communications plan.

Strengthening the University of Waterloo’s international efforts

Waterloo will partner with only the best institutions outside of Canada. Currently we have 350 co-operation agreements with universities and institutions outside of Canada, and we propose to develop a filtering system, partially informed by ranking performance considerations, to cull the existing group and limit the development of new partnerships. Of these partners, we will develop “best friends” based on shared strengths and enthusiasm in research, teaching, or both. We will be sending more of our students, faculty, and staff abroad in order to better engage with the international community.

Update on strategic planning

The university’s strategic plan is one of the three core administrative priorities, along with multi-year integrated budgeting and strategic enrolment management.

The source of much of the substance bound for the strategic plan was the Mid-cycle Review process, which affirmed our foundational pillars and brought the university community together to discuss the kind of future we want for the University of Waterloo. Much of the work since the MCR process concluded has involved synthesizing the messages we heard through extensive consultations on campus and organizing them into a strategic framework.

The framework will guide the development of our strategic plan, a draft of which is currently being created. The plan will outline high-level goals for the university and activities that will we undertake to achieve those goals.

In this last stage, the consultations with the faculties and academic support units are focusing on the alignment between the emerging strategic plan and their own strategic and planning activities. This discussion will enable us to create a collective sense of ownership and responsibility to work towards a common set of goals and to begin to track our progress.

To assist me in bringing the strategic plan together, I have convened a working group that includes Geoff McBoyle, Vice-President, Academic & Provost, Bruce Mitchell, Associate Provost, Resources and interim Associate Provost, HR, Daniela Seskar-Hencic from Institutional Analysis & Planning, Ellen Réthoré, Associate Vice-President, Communications & Public Affairs and Stacey Ash, Director, External Communications.
The draft plan will be reviewed during the month of April.

In terms of next steps, the draft strategic plan will be presented at the Executive Council retreat in May. Following the retreat, the plan will be reviewed and endorsed by the Senate Long Range Planning Committee. The plan will then be reviewed and approved at Senate before final approval by the Board of Governors at an upcoming meeting.

Progress monitoring and reporting framework will be established, which will allow us to track our progress towards our goals, identify areas where we are succeeding, and where we need to change direction. Progress on the strategic plan will be reported on an annual basis.

Feridun Hamdullahpur
President
This report is submitted following the committee’s meeting of 7 March 2013.

FOR INFORMATION

1. General Oversight
The committee reviewed and accepted for information:
- the capital financing commitments associated with capital projects and advises that these commitments fall within Waterloo’s board-approved debt policy
- the status of capital projects

2. Terms of Reference
The committee considered changes to its terms of reference (i) to reflect its responsibilities with respect to donation agreements and academic agreements having real estate implications, and (ii) to increase membership on the committee by one seat to be filled by a graduate student member of the board. It was resolved to approve these changes, and to send a request to the Governance Committee to forward revised terms of reference to the Board of Governors for approval.

7 March 2013
/Cla

Catherine Booth
Chair
FOR INFORMATION

1. **2013-14 OPERATING BUDGET**
   The committee traditionally reviews the university’s budget for the next fiscal year at its March meeting and makes a recommendation to the Board of Governors based on that review. The committee was informed that, as of the meeting date, the grant and tuition formula had still not been set by the government, and therefore, presentation of the budget will have to be delayed until the May meeting.

2. **VALUE FOR MONEY / EFFICIENCY MEASURES** [Attachment 1]
   The committee received this report from the provost and notes that on many measures the university performed as well or better than last year, except with respect to the student:faculty ratio and annual revenue per staff position.

3. **WATERLOO INVESTMENTS**
   At its March 2012 meeting the committee reviewed the investment returns on the university’s investment funds as at December 31, 2012:
   - Registered Pension Plan – year-to-date (7.9%) and four-year (9.1%) returns were positive, and above the return target (3.85%+CPI).
   - Payroll Pension Plan – year-to-date (7.07%) and four-year (8.92%) returns were positive, but slightly below the benchmark (7.08%, 8.96%, respectively).
   - Endowment – year-to-date returns (6.9%) were positive, but below the policy benchmark (7.8%). Four-year returns were positive (9.0%) and above the policy benchmark (8.6%).
   - IQC – year-to-date returns were positive (8.3%) and above both the policy benchmark (4.6%) and minimum risk portfolio (1.1%). Four-year returns were positive (6.8%) and exceeded both the policy benchmark (4.9%) and minimum risk portfolio (2.0%). [Note: the minimum risk portfolio is a portfolio of Government of Canada bonds structured to deliver a prescribed cash flow.]

/rmw
22 March 2013

Prem Watsa
Chair
### University of Waterloo

**Value for Money / Efficiency Measures**

**March 2013**

<table>
<thead>
<tr>
<th>Efficiency Measure</th>
<th>Description</th>
<th>Desired Trend</th>
<th>Performance Over Previous 5 Years</th>
<th>Year over Year</th>
<th>Institutional Target</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quality</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student/Faculty Ratio</td>
<td>quality of education / student experience</td>
<td>decrease ratio</td>
<td>ratio increased</td>
<td>2009-10 = 29.1</td>
<td>ratio 20:1</td>
<td>10 years</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2010-11 = 30.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per Student Expenditure</td>
<td>compare expenditure levels to North American competitors</td>
<td>increase from $11,000/student</td>
<td>increasing</td>
<td>2010-11 = $17,522</td>
<td>North American average</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2011-12 = $17,992</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality of Students</td>
<td>increase share of 90% plus students</td>
<td>increase share</td>
<td>increasing</td>
<td>2010 = 34%</td>
<td>top 3 in Canada</td>
<td>5 years</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2011 = 39.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>External Research Funding</td>
<td>increase external research support growth above national avg. rate</td>
<td>increased 33%</td>
<td></td>
<td>2010-11 = $190,416,804</td>
<td>50% of operating budget</td>
<td>10 years</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2011-12 = $192,555,192</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Graduate Enrolment</td>
<td>increase graduate enrolment</td>
<td>10% growth per year</td>
<td>increased by approximately a percentage point each year</td>
<td>Total and % of student body</td>
<td>double enrolment</td>
<td>10 years</td>
</tr>
<tr>
<td>Fundraising</td>
<td>diversify income through fundraising</td>
<td>continued growth</td>
<td></td>
<td>2010-11 = $38.0M</td>
<td>annual fund raised 25% of operating budget</td>
<td>10 years</td>
</tr>
<tr>
<td>Co-op Placements / Employment</td>
<td>students employed throughout the last three terms</td>
<td></td>
<td></td>
<td>2010-11 = 96%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Survey</td>
<td></td>
<td></td>
<td></td>
<td>2011-12 = 96%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Productivity/Cost Management</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Revenue per Staff Position</td>
<td>relative measure of staff productivity</td>
<td>maintain - 2006/2005 = 5.4%</td>
<td>average 5% increase per annum</td>
<td>previous average = 5.2% fiscal 2012 over 2011 = 1.7%</td>
<td>gains of 3% to 5% per year</td>
<td>ongoing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy Consumption</td>
<td>gigajoules per square metre of building area</td>
<td>maintain/improve</td>
<td>1.42 GJ/m2</td>
<td>2009-10 actual = 1.36 GJ/m2 2010-11 actual = 1.49 GJ/m2 (<strong>no update this year</strong>)</td>
<td>22% lower than NRCan energy use for Ontario commercial/ institutional buildings</td>
<td></td>
</tr>
<tr>
<td>Admin Costs as a % Operating</td>
<td>% of operating budget expended on central administration</td>
<td>maintain</td>
<td>3rd lowest in province</td>
<td>2010-11 = 1.47% (2nd lowest in province) 2011-12 = 1.11% (lowest in province)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Budget</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchasing Consortiums</td>
<td>savings through local, provincial &amp; national consortiums</td>
<td>add two commodities per year</td>
<td>&gt;32 commodities purchased through consortiums</td>
<td>I new commodity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facility Condition Index</td>
<td>deferred maintenance vs replacement value of buildings</td>
<td>maintain</td>
<td>FCI = 0.04</td>
<td>2011 FCI = 0.05</td>
<td>FCI &lt; 0.05</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2012 FCI = 0.05</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work Related (WSIB) Injuries</td>
<td>a) lost time injury frequency b) days lost severity</td>
<td>Below most recent available 5 year average (2008-12) of WSIB Educational Facilities Rate Group.</td>
<td>a) 0.49 b) 57.83</td>
<td>a) 2011: 0.48 to 2012: 0.35 b) 2011: 46.93 to 2012: 43.98</td>
<td>a) &lt;0.37 b) &lt;29.4</td>
<td>ongoing</td>
</tr>
</tbody>
</table>

Geoff McBoyle
This report is submitted following the committee’s meetings of 22 February 2013 and 8 March 2013.

FOR INFORMATION

1. Benefits Plan – Premiums Negotiated with Third Party Carrier
   Based on claims experience and following a negotiation process with the carrier, the LTD premium (contract rate) will not change and the life insurance premium (contract rate) will decrease by 10%, effective 1 May 2013. The life insurance renewal rate reflects favourable experience, which has generated a plan surplus.

   Note: the LTD premium is 100% employee paid. The life insurance premium is fully paid by the university up to one times annual salary. The life insurance premium for two and three times annual salary is two-thirds university-paid and one-third employee-paid. The premium for life insurance in excess of three times salary is 100% employee paid, as is the premium for spousal life insurance in any amount.

2. Report to the Community [Attachment 1]
   The Pension & Benefits Committee issued a report to the university community regarding its activities in 2012 and early 2013. A copy of the report is appended for your information.

/rmw
22 March 2013

Bill Watson
Chair
Pension Plan:

**Education and monitoring.** The committee receives regular reports from the pension plan’s consulting actuary on legislative, policy and other government initiatives which may affect the pension plan. The committee uses this information to consider new opportunities, respond to requests from the government for feedback, implement legislated changes to the pension plan and prepare for upcoming issues. Some of the government initiatives the committee has been monitoring over the past year are the proposal to have public sector pension plans pool their assets, 50:50 cost-sharing between plan members and their employer, the proposal to merge university pension plans into a single pension plan for the sector, changes to the Canada Pension Plan, and solvency funding relief for public sector plans.

The consulting actuary also keeps the committee up to date on changes being made by other public sector defined benefit plans (to the extent this information is public). This information is used to assess whether the pension plan is competitive, consider options which may be appropriate for the pension plan and test whether decisions made by the committee are reasonable.

Throughout the year, the committee monitors the economic and demographic context for the pension plan, as well as the overall health of the pension plan, through the review of the actuarial valuation report (produced annually), the actuarial valuation assumptions (reviewed and approved annually), and the quarterly reports on the total fund return and investment manager performance.

**Changes to actuarial assumptions.** During the discussion of the actuarial valuation assumptions in January 2012, the committee was advised to consider whether certain actuarial assumptions needed to be changed to reflect shifts in economic and demographic trends. Guided by the consulting actuary, the committee decided to make changes to the economic assumptions (i.e., assumed inflation rate, salary increases and investment return) and to adopt a mortality table that builds in generational improvements in mortality. This mortality table is now the practice standard. The new actuarial assumptions were used for the January 1, 2012 actuarial valuation report. At the January 18, 2013 meeting, the committee completed its annual review of the actuarial assumptions and agreed to continue using the actuarial assumptions approved in 2012 for the January 1, 2013 valuation report.

**Changes to pension plan.** Given the ongoing low interest rate environment, volatile and generally lower investment returns, and increasing longevity, the pension plan had and continues to have a significant deficit. After consultation with the executive from each employee stakeholder group, several information sessions with pension plan members and communications with the community, the committee finalized recommendations regarding changes to the pension plan and presented the recommendations to the university’s Board of Governors in October 2012. Because these changes have been discussed at length in other reports to the community, this report will not go into any details. Pension plan members are welcome to review existing materials on the Pension & Benefits Committee webpage.

**Review of pension plan protocols and development of new protocol.** In response to feedback from members on the 2012 pension plan changes, the committee agreed to develop a protocol setting out the parameters under which the Committee would increase the level of indexation for pensioners covered under the new plan provisions. At the committee’s January meeting, members reviewed existing protocols and agreed to hold a special meeting in April to focus on the development of the new protocol, as well as committee education.

**Changes to investment portfolio.** The committee has made some changes to the registered pension plan’s investments since the last report to the community, including increasing investments in Canadian equity, adding infrastructure and real estate investments, and selling the 30-year U.S. treasuries.

In 2011, the university liquidated its investments with two Canadian equity managers due to concerns regarding performance and changes in ownership. This left the pension fund with a large cash position and minimal exposure to Canadian equities. The Registered Pension Plan Investments Subcommittee conducted a search for new Canadian equity managers in early 2012, resulting in the pre-approval of Sionna Investment...
Managers and Burgundy Asset Management as Canadian equity managers for the pension plan. In March 2012, the committee approved placing $20 million with Sionna, and, in October 2012, approved a further $20 million investment. No funds have been placed with Burgundy yet.

During 2011 and 2012, the Registered Pension Plan Investments Subcommittee arranged information sessions, which were open to the committee, subcommittee and the Finance & Investment Committee, with Aon Hewitt on different options for investing in infrastructure and real estate. Following the information sessions and research into several firms, the subcommittee recommended the appointment of Brookfield Asset Management as an investment manager for the registered pension plan; the committee has since approved investments totaling $40 million in Brookfield’s publicly traded infrastructure product. The subcommittee also recommended making a laddered investment of $10 million per quarter over four quarters in the iShares XRE S&P/TSX Capped REIT Index Fund (real estate), which was approved by the committee in October 2012.

In June 2012, the pension fund’s 30-year U.S. treasuries were sold when the yield fell to 2.454% (below the sell target of 2.5%), resulting in proceeds of $114 million (a gain of $29 million over the purchase price). While a positive result, the sale of the 30-year U.S. treasuries added to the cash position of the pension fund. The pension fund is currently holding more cash (14.7%) than the Statement of Investment Policies and Procedures allows (10%), so the committee and its Registered Pension Plan Investments Subcommittee continue to look for suitable investments.

Application for solvency funding relief. Just prior to the December 7, 2012 meeting of the committee, the Ontario government announced a proposed amendment to Regulation 178/11 to allow pension plans that had not previously filed for solvency funding relief to apply, provided the application was filed before December 31, 2012.

The university’s pension plan was one of the few Ontario university pension plans that had not applied during the previous rounds of solvency funding relief, because its solvency ratio\(^1\) was not below the specified threshold (0.9). With the further decline in interest rates, the solvency ratio as of 1 January 2013 is expected to be below 0.9. If the pension plan solvency ratio continues to be below 0.9 as of the date of the next filed actuarial valuation report (1 January 2014), the solvency deficit\(^2\) would have to be amortized over five years and the university would be required to make additional, significant special payments into the pension plan (over and above the special payments already being made to fund the going concern deficit). If the university is approved for Stage 1 solvency funding relief, the university would have a four year period (starting 1 January 2014) in which it would not be required to fund the solvency deficit, and if the university qualifies for Stage 2\(^3\) after three years (1 January 2017), the solvency deficit can be amortized over ten years.

The university already has a plan to fund the going concern deficit\(^4\) over a fourteen year period. This plan involves the funding already built into the university’s operating budget, as well as the pension plan changes approved by the Board in October 2012. The committee approved the filing of the solvency funding relief application to provide insurance against the university being required to make additional special payments and to allow the university to continue with the execution of the plan to eliminate the deficit over a reasonable time period.

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1 Solvency ratio is equal to the market value of the pension plan assets divided by the solvency liabilities.
2 The solvency calculation assumes that the plan is being wound-up and the benefits accrued by plan members settled by purchasing annuities or making lump-sum payments. A solvency deficit occurs when the value of the solvency liabilities (calculated using the foregoing assumptions) is greater than the market value of the pension plan assets.
3 It is expected that the university will qualify for Stage 2 solvency funding relief as a result of the recent changes made to the pension plan.
4 The going concern calculation assumes that the plan will continue to operate for the foreseeable future. A going concern deficit occurs when the value of the liabilities (calculated using plan member data, the benefit structure of the plan, and actuarial assumptions) is greater than the market value of the pension plan assets.
Benefits Plan:

Education and monitoring. The committee reviews aspects of the benefits plan on a regular basis, including claims experience, insurance rates and premiums, and annual and lifetime maxima. The committee uses this information in order to see where costs are increasing, to assist with decision-making, and to identify where change may be required. In addition to its regular monitoring and education activities, the committee received a presentation from Aon Hewitt on benefits plan design and commissioned a benchmarking study against ten other benefits plans, including other universities and local employers.

Benefits Review Working Group. In response to feedback received from the community and information received from the committee’s resource people, the committee decided to form a working group to look at the relevance, sustainability and competitiveness of the extended health, employee assistance and dental plans. The working group includes one Pension & Benefits Committee member from each of the employee groups, one of the president’s appointees and the non-voting member from the Federated University and Affiliated University Colleges. The working group will be conducting research and engaging with the benefits plan members throughout 2013 and is expected to deliver a report on its findings to the committee at the end of 2013 or beginning of 2014.

Enhancements to the benefits plan. One of the features of the extended health and dental plans (referred to herein as the benefit plan) that had long been an issue for the university community and the committee was the lack of coordination of benefits for couples where both individuals are employees or retirees of the university. Previously, only one member of a university couple was enrolled in the benefit plan and his/her spouse was named as a dependent. Because of this, university couples were not able to coordinate claims under the benefit plan. For example, if the benefit plan covered one member of a university couple for 80% of a health claim, that member was not able to submit a claim under his/her spouse’s insurance for the remaining 20%. This was not the case for couples where one spouse works at the university and the other works at another employer which permits the coordination of benefits. On the recommendation of the committee, the Board of Governors approved an amendment to the benefit plan to permit the internal coordination of benefits effective November 1, 2012. Human Resources is in the process of updating the information in its systems and contacting plan members. If you have any questions about this change, please contact Human Resources.

The Committee and its Members:

The Committee is a standing committee of the Board of Governors responsible for overseeing UW’s pension plans, extended health care and dental plans, self-insured sick leave and long term disability plans, and life insurance plans. The Committee consists of representatives from senior administration, the Board of Governors, retirees, regular staff members, faculty and CUPE Local 793. For a list of current members and resources, please see the Pension & Benefits Committee webpage. The Committee’s regular meetings are held on a monthly basis (except April, July and August); meetings are generally open to the university community and agendas and minutes are available on the web. Recommendations for changes and improvements to the university’s pension and benefit plans are developed and refined by the Committee and, if agreed by the Committee, forwarded to the Board of Governors for approval. The Committee’s approach to pension and benefit plans is based on the following principles:

1. There will be one pension and benefits plan for all members of the UW community regardless of the type of work performed or the employee group to which one belongs.
2. Benefits are provided for both the employee and his or her family where relevant.
3. Employees should be covered for catastrophic events.
4. The current level of benefits should be maintained.
5. Cost implications to both the university and its employees should be considered.