

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY PUBLIC MEETING OF THE BOARD OF GOVERNORS AGENDA

Date: Wednesday, May 9, 2018, 6:00 p.m.

Location: DC Boardroom, Gordon Willey Building, A-144

Learn More Series: Centre for Academic Faculty Enrichment - 4:30 p.m.

Dinner available at 5:15 p.m.

Pages

1. **CALL TO ORDER**
2. **INTRODUCTION OF GUESTS**
3. **ADDITIONS/DELETIONS TO THE AGENDA**
4. **CONFLICT OF INTEREST DECLARATIONS**
5. **PRESENTATIONS**
 - 5.1 Cosette Kazarian, Intranet Specialist, Communications and Marketing to Share her Leave for Change Experience
 - 5.2 Linda Flynn, Associate Vice-President, Development and Alumni Affairs and Elaine Garnett, Chair, Durham College Alumni Association to Present an Update on the Durham College Alumni Association
 - 5.3 Alan Dunn, Associate Vice-President, Facilities and Ancillary Services to Present a Capital Projects Update
6. **CHAIR'S REPORT**
7. **CO-POPULOUS GOVERNORS' REPORT**
8. **CONSENT AGENDA**

The following items will be addressed through the Consent Agenda unless specifically removed for separate attention, by request.

Recommendation

That all items listed under the heading of consent agenda be adopted as recommended.

- 8.1 Results of the Annual Election of Chair and Vice-Chair of the Board
- Recommendation
That based on the results of the annual election of Chair and Vice-Chair of the Board, Paul Macklin be confirmed as Chair and Ivan DeJong be confirmed as Vice-Chair of the Durham College Board of Governors for a one-year term, commencing July 1, 2018 and ending on June 30, 2019.
- 8.2 Approval of the Public Minutes of the Board of Governors Meeting of April 11, 2018 4 - 9
- Recommendation
That the public minutes of the Board of Governors meeting of April 11, 2018 be approved as read.
- 8.3 2017 CAAT Pension Plan Annual Report 10 - 73
- Recommendation
That BOG-2018-30, presenting the 2017 CAAT Pension Plan Annual Report be received for information.
- 9. DISCUSSION ITEMS**
- 9.1 Government Relations & 2018 Provincial Elections Update - D. Lovisa & P. Garrett 74 - 82
- Recommendation
That Report BOG-2018-38, providing an update on government relations activities and the 2018 provincial election, be received for information.
- 9.2 New Program of Instruction: Artificial Intelligence Analysis, Design and Implementation - E. Popp & M. Marando 83 - 100
- Recommendation
That in accordance with Report BOG-2018-13, the proposed Ontario College Graduate Certificate program of instruction listed below be approved.
- Artificial Intelligence Analysis, Design and Implementation
- 9.3 DC/UOIT Academic Pathways Report - E. Popp 101 - 112
- Recommendation
That Report BOG-2018-39, providing the DC-UOIT Academic Pathways update be received for information.
- 9.4 2018-2019 Business Plan - D. Lovisa 113 - 143
- Recommendation
That based on Report BOG-2018-37, the 2018-2019 Business Plan be approved.
- 9.5 2017-2020 Strategic Plan Update - D. Lovisa 144 - 144

10. OTHER BUSINESS

11. UPCOMING EVENTS

- Science Rendezvous - Saturday, May 12 (Oshawa Campus)
- Enactus National Competition - Wednesday, May 16 (Metro Toronto Convention Centre)
- Victoria Day - Monday, May 21 - College Closed
- Quality Assurance Site Visit - Wednesday, May 30 (Oshawa campus)

12. MOVE TO IN-CAMERA SESSION

13. ADJOURNMENT



**DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY
BOARD OF GOVERNORS REGULAR MEETING
DRAFT PUBLIC SESSION MINUTES**

Date: Wednesday, April 11, 2018

Location: DC Boardroom, Gordon Willey Building, A-144

Members Present: Dan Borowec, Chair of the Board
Paul Macklin, Vice-Chair of the Board
Suzanne Beale
Ivan DeJong
Kevin Griffin
Kristi Honey
Michele James
Rahul Khanna
Don Lovisa, President
Bart Lucyk
Debbie McKee Demczyk
Heather Quantrill
Gary Rose
Steve Stewart (via telephone)
Jim Wilson

Members Absent: None.

Staff Present: Scott Blakey, Chief Administrative Officer
Alan Dunn, Associate Vice-President, Facilities and Ancillary Services
Linda Flynn, Associate Vice-President, Office of Development and Alumni Affairs
Barbara MacCheyne, Chief Financial Officer
Meri Kim Oliver, Vice-President, Student Affairs
Elaine Popp, Vice-President, Academic
Melissa Pringle, Corporate and Board Secretary
Janse Tolmie, Chief Information Officer

1. CALL TO ORDER

With quorum present, the meeting was called to order at 5:59 p.m.

2. INTRODUCTION OF GUESTS

The Chief Administrative Officer introduced the following guests:

- Matthew Wierzbicki, Computer Program Analyst Student
- Dillon Regimbal, Computer Program Analyst Student
- Amit Maraj, Professor, School of Business, IT & Management
- Vibha Tyagi, Project Manager, Industry Liaison, Office of Research Services
- Rashmi Gupta, Director, Institutional Research and Planning
- Tiago De Oliveira, Journalism Student

3. ADDITIONS/DELETIONS TO THE AGENDA

None.

4. CONFLICT OF INTEREST DECLARATIONS

None.

5. PRESENTATIONS

5.1 Computer Programmer Analyst Students, Matthew Wierzbicki and Dillon Regimbal and Professor Amit Maraj to Present Their Artificial Intelligence Project

Computer Programmer Analyst students, Matthew Wierzbicki and Dillon Regimbal and professor Amit Maraj demonstrated their artificial intelligence projects.

The Board questioned Matthew Wierzbicki, Dillon Regimbal and Amit Maraj.

5.2 Alan Dunn, Director, Facilities and Ancillary Services to Provide a Capital Projects Update

Alan Dunn, Director, Facilities and Ancillary Services provided an update on the College's capital projects.

5.3 Barbara MacCheyne, Chief Financial Officer to Present the Capital Budget

The Chief Financial Officer presented a capital budget for 2018-2019 of \$27.8 million and highlighted the College's sources of funding and proposed capital projects.

The Board questioned the Chief Financial Officer.

Note: The capital budget was approved in the in-camera session of the Board of Governors meeting through the March 12, 2018 report of the Audit and Finance Committee.

6. CHAIR'S REPORT

The following items were discussed:

- An infographic from McKinsey & Company on how automation will affect jobs
- The PAC Chair and Board Roundtable event held on March 21, 2018
- Governor Macklin reflected on the College Day at Queen's Park and the Employee Appreciation Events he recently attended

7. CO-POPULOUS GOVERNORS' REPORT

Governor Wilson provided the co-populous governors' report, noting he attended a Board meeting on March 7, 2018 and he announced the installation for Dr. Steven Murphy will be held on May 8, 2018 at 10 a.m. at the Regent Theatre.

8. CONSENT AGENDA

Moved By Governor Rose

Seconded By Governor Honey

"That all items listed under the heading of consent agenda be adopted as recommended." CARRIED

With Governor Stewart participating by phone, the vote was unanimous.

8.1 Approval of the Public Minutes of the Board of Governors Meeting of February 21, 2018

That the public minutes of the Board of Governors meeting of February 21, 2018 be approved as read.

8.2 Results of the Student Governor Election

That based on the results of the 2018-2019 student governor election, and pending confirmation of academic standing, Megan Wilson be appointed to the Durham College Board of Governors as the student governor for a one-year term starting September 1, 2018 and ending August 31, 2019.

8.3 Results of the Academic Staff Governor Election

That based on the results of the academic governor election, Kevin Griffin be appointed to the Durham College Board of Governors as the academic staff governor for a three-year term starting September 1, 2018 and ending August 31, 2021.

8.4 Results of the Support Staff Governor Election

That based on the results of the support staff governor election, Bart Lucyk be appointed to the Durham College Board of Governors as the support staff governor for a three-year term starting September 1, 2018 and ending August 31, 2021.

8.5 President's Report - February to March 2018

That Report BOG-2018-19 outlining the President's activities for the months of February and March 2018, be received for information.

9. DISCUSSION ITEMS

9.1 University/College Applicant Survey Data

Rashmi Gupta, Director, Institutional Research and Planning presented the university/college applicant survey data prepared by Academica group, highlighting the five key sections of the report being applicant demographics, key decision factors, education and career development, marketing and brand perceptions.

The Board questioned the Director, Institutional Research and Planning.

9.2 Durham College Economic Impact Study

Rashmi Gupta, Director, Institutional Research and Planning presented the recent study prepared by Emsi, analyzing the economic impact and return of investment on education (or the economic value) of Durham College. The study's methodology and analysis were described and the total impact of \$913.3 million total income added in the Region, or 4.9% of the Gross Regional Product was highlighted.

The Board questioned the Director, Institutional Research and Planning.

9.3 Final Results of the 2017-2018 Business Plan

President Lovisa presented the results of the 2017-2018 business plan, stating of the 61 actions, 45 have been completed, 12 are on track for completion and 4 items were delayed or at risk due in part by the faculty work stoppage. President Lovisa highlighted a few of the successes from the past year including increased enrolment, the College's international projects and advances in research and innovation.

Moved By Governor Macklin

Seconded By Governor James

"That Report BOG-2018-20, providing the final update on the 2017-2018 Business Plan, be received for information." CARRIED

With Governor Stewart participating by phone, the vote was unanimous.

10. OTHER BUSINESS

None.

11. UPCOMING EVENTS

The following events here highlighted:

- Nominations accepted for the annual election of Chair and Vice-Chair of the Board - Monday, April 16 to Friday, April 20, 2018; if required an election will be held Monday, April 23 to Tuesday, April 24
- CIGCan Conference - Sunday, April 29 to Tuesday, May 1, 2018 (Victoria, BC)
- Research Day – Thursday, May 3, 2018 (Student Services Building)
- Installation of Dr. Steven Murphy - Tuesday, May 8 (Regent Theatre)
- Skills Ontario Competition - Monday, May 7 to Tuesday, May 8, 2018 (Toronto Congress Centre)

- Quality Assurance Site Visit - Wednesday, May 30 (Oshawa Campus)

12. MOVE TO IN-CAMERA SESSION

Durham College By-law No. 1. provides for the Board of Governors to address, in-camera, items of corporate business respecting human resources or litigation matters, confidential items covered under the Freedom of Information and Protection of Privacy Act and, items that the Board deems to be confidential to the College.

Moved By Governor Wilson

Seconded By Governor DeJong

"That the Durham College Board of Governors move in-camera after a short recess."
CARRIED

With Governor Stewart participating by phone, the vote was unanimous.

The Board recessed at 7:39 p.m. and reconvened in-camera at 7:49 p.m.

The Board rose from the in-camera session at 8:25 p.m.

During the in-camera session, the Board reviewed recommendations from its Standing Committees and discussed the recent achievements of Colleges Ontario and a Letter of Intent to be signed with Siemens Canada to advance the Green House Gas Innovation project.

13. ADJOURNMENT

Moved By Governor Honey

Seconded By Governor Lucyk

"That the April 11, 2018 meeting of the Board of Governors be adjourned." CARRIED

With Governor Stewart participating by phone, the vote was unanimous.

The meeting ended at 8:26 p.m.





NEW GROWTH

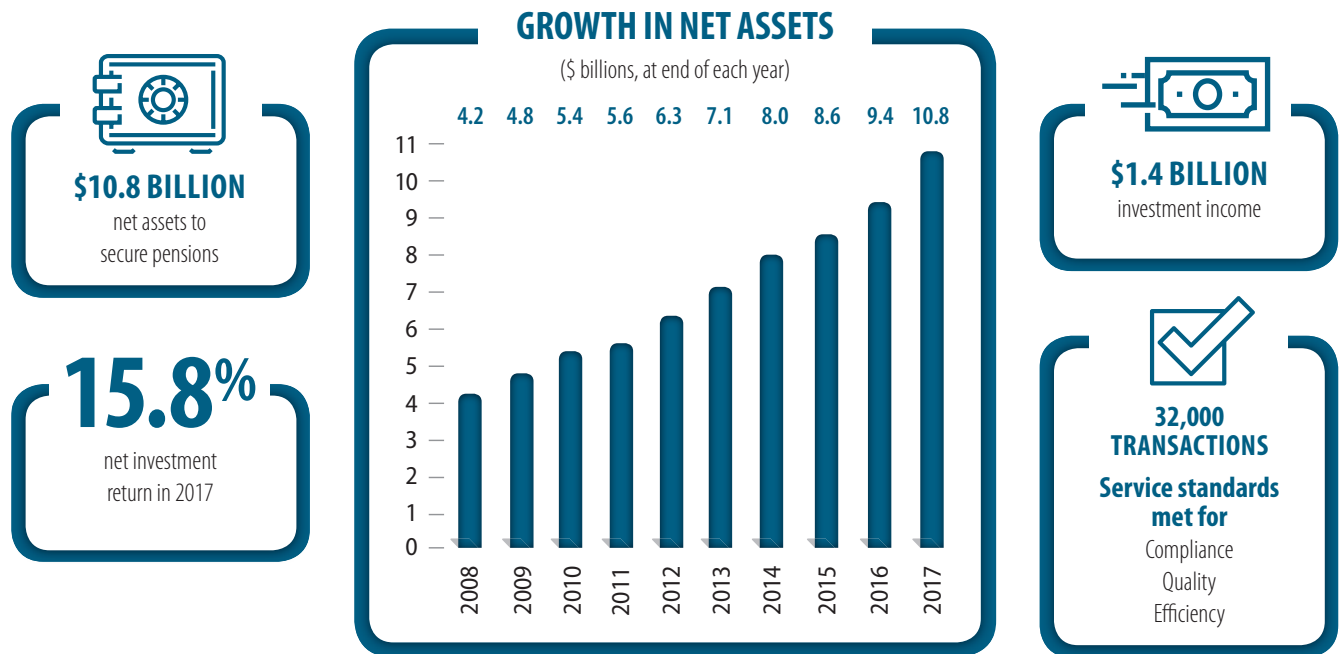
IN BENEFIT SECURITY

Benefit security is our core focus, every day.

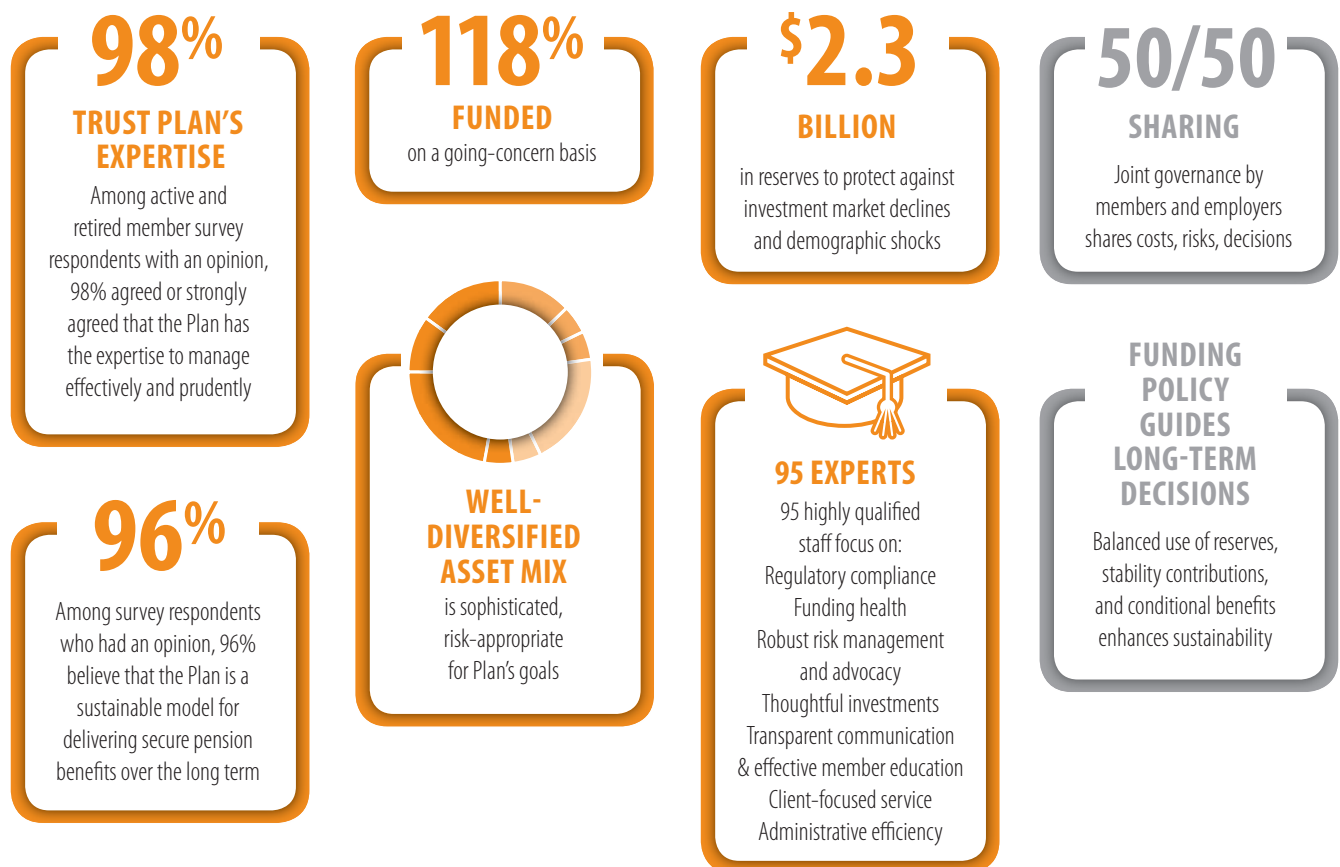
Our solid history of efficiently and effectively delivering secure pensions provides the foundation for exciting new growth. In 2018, we will be introducing an additional defined benefit plan design that will bring secure lifetime pensions to more Canadians at more workplaces, and make the Plan even stronger.

Our commitment to fulfill the important promises we have made to our members and employers is unwavering and our 2017 results show that our long-term plan is working.

Performance



Expertise



Governance

Trust

93% SEE VALUE

93% of active members surveyed rated the value of the pension benefit they will receive for their contributions as excellent, good, or reasonably good value

46,300 MEMBERS

Active
29,400



Retired
15,500

1,400 deferred members have left their pension in the Plan after terminating employment to collect it at retirement age

1,605

net increase in members in 2017

61.8 YEARS

AVERAGE AGE

at retirement in 2017
(retirements from active status only, excluding deferred retirements)

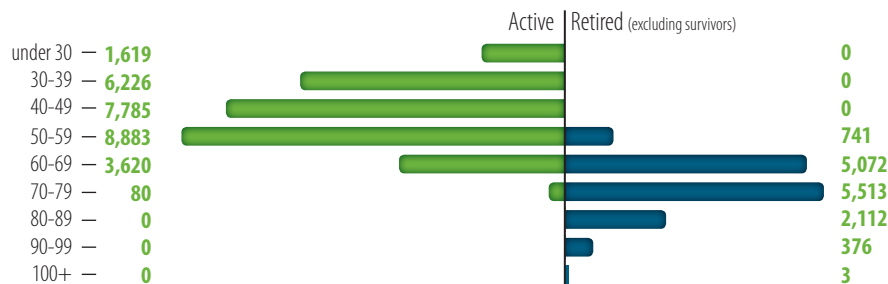
21.7

AVERAGE YEARS OF SERVICE

for members retiring from active status in 2017

DEMOGRAPHIC PROFILE

Plan is growing with healthy mix of active and retired members



Excludes those with a deferred pension and those who have terminated employment but not finalized their benefit to determine status.



41 EMPLOYERS

24 colleges
17 other employers

MEMBERS WORK IN A RANGE OF OCCUPATIONS

	Full-time	Part-time	Total
Faculty	28%	20%	48%
Support	30%	7%	37%
Administration	14%	1%	15%
Total	72%	28%	100%

Enrolment is automatic for full-time employees.
Part-time employees can choose to join anytime during their career.

Foresight

99%

PROBABILITY OF REMAINING FULLY FUNDED IN 20 YEARS

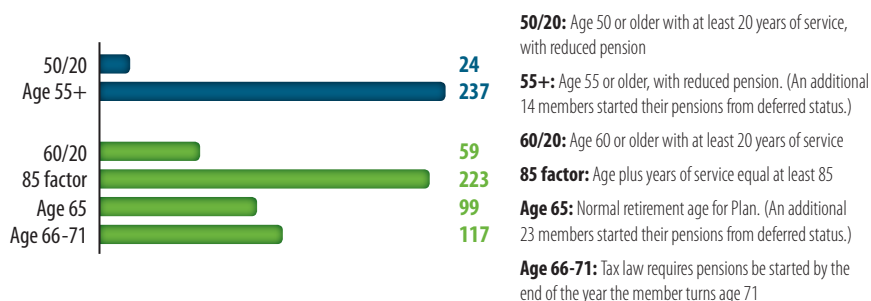
based on Asset-Liability Modelling that measures key financial and demographic risks, assesses long-term health of Plan

REALISTIC FUNDING ASSUMPTIONS

essential to securing pensions
89 years average lifespan
5.60% discount rate

RETIREMENT OPTIONS

759 MEMBERS RETIRED IN 2017 UNDER THE FOLLOWING OPTIONS



THE EVOLVING PLAN

For pension plans, staying relevant in a changing world requires awareness and the courage to adapt

The Plan's governors continually seek feedback from members and employers. Opinion surveys of members who work part time have pointed to concerns about certain features they can't easily access, and employers are seeking a reduction in administrative complexity for this group.

As a result, we established a task force to explore creating a second plan design better suited to the needs of members who work part time while reducing the administrative cost and complexity for employers. We are focused on ensuring the second plan design delivers value similar to our current plan design and is flexible to meet the needs of prospective employers and employees beyond the Ontario college sector.

The second pension design will operate alongside the existing plan design and together the two designs will make up the CAAT Plan.

The second plan design is in the final stages of development and will



be available this year. Similar to the current design, the second plan design will provide a secure lifetime pension, survivor benefits, inflation protection, and early retirement provisions.

Most importantly, the second plan design will generate great value for members and employers who desire benefit security, contribution stability, and equity.

FUNDING FOR BENEFIT SECURITY

This year's outstanding returns have raised the five-year annualized net rate of return to 11.4%, helping to strengthen our funded status, now at 118%. Although our primary focus is to secure benefits, we also aim to increase the probability of granting future conditional inflation protection increases to our retired members

The CAAT Plan is seen as one of the most successful plans in Canada.

over the long term. Other important priorities are keeping contribution rates stable and considering equity among groups and generations of Plan members.

It was with these priorities in mind that the Plan governors wisely decided to continue building reserves to be available as a buffer against future economic and demographic shocks, consistent with our Funding Policy.

WELCOMING NEW EMPLOYERS AND MEMBERS

This past year we welcomed two new employers to the CAAT Plan: the Sheridan Student Union, which joined October 1, 2017, and the Youth Services Bureau (YSB) of Ottawa, which joined January 1, 2018.

The YSB is the first organization from the social services sector to join the CAAT Plan. We will continue to explore mutually beneficial mergers with single-employer pension plans from beyond Ontario's postsecondary education sector that are aligned to our strategy and values. These include not-for-profit and private sector employers where there is a strong alignment to provide secure lifetime pensions to employees without the risks and costs associated with single-employer pension plans.

STRONGLY INDEPENDENT, FUNDAMENTALLY SOUND

We believe the Plan's success is built on shared governance and its collective focus on benefit security, stable and

appropriate contribution rates, and the goal of treating members of different occupations and generations fairly.

As governors of a jointly sponsored pension plan, the Board of Trustees is ultimately responsible for overseeing the administration of pensions and the investment of Plan assets. Trustees, as fiduciaries, act in the best interests of the Plan and its members. The Board works closely with the Sponsors' Committee, which determines how to best balance the use of contribution rates, funding reserves, and benefit design to keep the Plan meaningful, stable, and sustainable over the long term.

The representative governance structure has been tested by time and stands as a model of common purpose, cooperation, and mutual respect. Current and former Trustees and Sponsors' Committee members have guided the Plan's health and success by assessing challenges and making required adjustments in a timely manner.

Since our last annual report, we welcomed Kim Watkins, Chief Financial Officer at Mohawk College, to the Board of Trustees. The Sponsors' Committee welcomed Riley Burton, Director, Teaching & Learning Centre at Confederation College, and Tom Wilcox, a Technologist for the York/Sheridan Joint Design program at Sheridan College.

On behalf of the Plan governors, it is with a profound sense of gratitude that we extend our best wishes to

former Trustee Michael Seeger and to former Sponsors' Committee members Marilou Martin and Kelly Murray-Scott, who made important contributions to the Plan's success.

The CAAT Plan is seen as one of the most successful plans in Canada. Plan governance is crucial, and so too is having a dedicated staff of pension experts. At a time when the Plan is poised to chart a new course that introduces desirable change, we are truly fortunate to have Derek Dobson and his highly skilled and knowledgeable team informing the decisions made by Plan governors.

We can all feel confident that the Plan will remain relevant, strong, well-governed, and expertly managed for years to come.



Scott Blakey,
Chair (left)



Donald Wright,
Vice-Chair





ENSURING BENEFIT SECURITY WHILE DELIVERING VALUE

As experts in creating value and managing risk, our primary focus is to secure the meaningful benefits our members and employers rely on. This drives everything we do.

It is gratifying to receive thoughtful and supportive comments from members and employers. It is clear this focus on delivering meaningful benefits, plus our commitment to first-class service and education with clear and transparent communication, is well aligned to the needs of our stakeholders.

The funded position – our core measure of benefit security – improved for the eighth consecutive year to 118% on a going-concern basis as at January 1, 2018.

GROWING MEMBERSHIP STRENGTHENS BENEFIT SECURITY

We're open and ready for growth in membership where it is mutually beneficial. This includes workplaces that currently offer single-employer defined benefit (DB) pension plans, defined contribution (DC) plans, and other workplace

Delivering meaningful benefits, plus our commitment to first-class service and education with clear and transparent communication, is well aligned to the needs of our stakeholders

Employers recognize the value of the Plan in attracting and retaining talent. In our survey of employers, chief financial officers rated the Plan's value as 8 out of 10 compared to the cost to offer it.

retirement savings plans, including those in the private and not-for-profit sectors.

The best news for new and prospective employers and members is that pension risks are fully pooled across 46,300 members and 41 employers currently participating in the CAAT Plan.

A second plan design, which is in the final stages of development, will make the Plan more accessible to a broader group of employers and employees.

Membership growth through the current design or the second plan design will benefit all stakeholders: the employer gets the valuable attraction and retention benefits of offering a DB pension plan and is no longer required to manage the risks of their current pension plan; members get access to a valuable, sustainable, and secure DB pension; and, the CAAT Plan further improves in strength for existing members and employers.



STRONG INVESTMENT RETURNS

The CAAT Plan's assets grew to \$10.8 billion in 2017 on the strength of its investment performance: 15.8%, net of investment management fees. This exceeded the policy benchmark by 3.5% to bring the five-year annualized net rate of return to 11.4%. Our investment team's careful stewardship has earned an additional \$1.1 billion in value over the policy benchmark during the last five years.

The Plan's short, medium, and long-period investment returns rank in the top three of the 40 Canadian pension plans in the Bank of New York Mellon database.

EDUCATING MEMBERS

This past year we had more members attend our popular in-person sessions and webinars, and formal feedback shows the sessions are highly effective. Participants report learning more about the many features of their pension and over 80% value their pension more as a result of attending. An impressive 88% would recommend the sessions to their colleagues.

There's evidence that our education program and our service improvements are making an impact: 93% of active member respondents to our annual survey rated the value of their pension as excellent, good, or reasonably good for the contributions they make. Our Plan Champions – those who give their pension the top value rating of excellent – grew three percentage points over the prior survey, to 16%.

The trust that members place in us is inspiring. You'll find a small sample of member comments in this report. It is rewarding to know members believe we bring value to their lives by efficiently and effectively delivering retirement income security.

Employers recognize the value of the Plan in attracting and retaining talent. In our survey of employers, chief financial officers rated the Plan's value as 8 out of 10 compared to the cost to offer it.

Ninety percent of employers reported feeling confident or very confident in the Plan's expertise to manage funding and administration, and an equal number rated the service they receive as excellent, very good, or good.

I am proud of what we have accomplished this past year and look forward to the exciting challenges that lie ahead in 2018. I'd like to thank the employees of the CAAT Plan for their diligence and dedication. I am extremely proud to be part of such a committed, skilled, and knowledgeable team.

Derek W. Dobson,
CEO and Plan Manager

“I am very pleased with the CAAT Pension Plan administration and hope it continues to work as hard as it does to **protect the interests of its members** for a very long time. Thank you for all that you do.”
– Retired member

“I FEEL THIS PLAN IS **VERY IMPORTANT** AND WAS A HUGE REASON FOR ACCEPTING MY CURRENT POSITION.”
– Active member

“I REMEMBER AS A YOUNG WOMAN SOMETIMES NOT LIKING THAT MONEY WAS TAKEN FROM MY CHEQUE FOR A PENSION. I AM VERY GRATEFUL THAT THIS HAPPENED BECAUSE NOW **EVERY MONTH I GET A PAY CHEQUE AND DON’T HAVE TO GO TO WORK. THANK YOU.**”
– Retired member

“Thank you for the pension sessions this past year. The presenters made the information incredibly clear and **I feel very confident about my future pension.**”
– Active member

“I do carefully follow the publications/information that are sent to me regularly and am **very grateful for the care** and much thought that is put into producing them. Thank you. This survey is a strong indication of how much care is taken to manage the plan. Again, thank you.”
– Retired member

“THIS IS **ONE OF THE BEST PENSION PLANS IN THE MARKET** NOW AND IT’S SO HARD TO BECOME EMPLOYED WITH AN EMPLOYER THAT PROVIDES SUCH A POWERFUL PLAN. IT ENCOURAGES EMPLOYEES TO WORK HARD AND REMAIN DEDICATED TO THEIR EMPLOYER.”
– Employer

“I THOUGHT THE PRESENTATION AT SHERIDAN COLLEGE, A FEW WEEKENDS AGO, WAS EXCELLENT. YOUR PRESENTERS WERE FANTASTIC AND THEIR **PRESENTATIONS WERE CLEAR AND INFORMATIVE.** WELL DONE.”
– Active member

“Our Pension Analysts have always been very helpful, readily available, and **respond to inquiries in a timely manner.**”
– Employer

“THIS PENSION HAS PROVIDED OUR FAMILY WITH A RELIABLE AND CONSISTENT SOURCE OF INCOME DURING MY RETIREMENT YEARS.”

– Retired member

“I have followed the development and prudent steps our representatives for the CAAT Pension Plan have taken over the years. I have much confidence in the administrators and directors of our plan. **Our plan is held up as a gold standard in the industry.**”

– Retired member

“Although I am not involved in the day to day with the CAAT Plan, my staff informs me that the **service is of very high quality**. As a member, I admit to being in tune with the high-end service that you offer and effective communication. Keep up the good work because it’s important for both the employer and the employee.”

– Employer

“I wish I would have been able to contribute twice as much. God bless you all down there. You’re doing a terrific job. **I am so fortunate to be collecting a CAAT pension.** I’m 100 years old and I’ve been collecting a pension since 1984 – that’s 33 years.”

– Retired member

“I am very grateful to have a pension plan available through my work, especially as I am a single person going into retirement soon. Because of the communication from the pension plan, **I have been able to plan ahead knowing how much money I will have.**”

– Active member

“IT’S EXCELLENT. I FEEL AS IF MY FUTURE PAYMENTS

ARE SECURE.

MY FINANCIAL ADVISER
ONCE DESCRIBED MY CAAT
PENSION AS ‘ONE BIG BOND.’”

– Retired member

“**Defined benefit pension plans are up there with publicly funded health care and publicly funded education** as far as I’m concerned. They form the basis of a civil and healthy society... It goes beyond being a benefit – it is the right thing to do.”

– Active member

MANAGEMENT'S COMMENTARY

The following information provides analysis of the operations and financial position of the CAAT Pension Plan and should be read in conjunction with the financial statements and accompanying notes for the year ended December 31, 2017.

The CAAT Pension Plan provides secure defined benefit pensions to more than 46,300 members who work at, or have retired from, Ontario's 24 community colleges and 17 other participating employers, and to the surviving spouses of members. These lifetime pensions are prefunded by contributions from members and employers and, to a larger extent, by the investment returns earned over time.

The Plan carries out its mandate by designing and administering lifetime pension benefits and properly funding those benefits by estimating the long-term cost of securing them, setting

contributions at levels that are stable and fair, and prudently investing the contributions to keep the benefits secure.

As participants in a jointly sponsored pension plan, members and employers have equal say in Plan decisions through their representatives on the Plan's two governing bodies: the Board of Trustees and the Sponsors' Committee. The governors are appointed by the three Plan Sponsors: the College Employer Council on behalf of the college boards of governors, the Ontario College Administrative Staff Association (OCASA), and the Ontario Public Service Employees Union (OPSEU).

In 2017, the Plan continued to strengthen its financial position, finishing the year 118% funded on a going-concern basis, based on its actuarial valuation as at January 1, 2018, which has been filed with the regulator, the Financial Services Commission of Ontario. A going-concern valuation assumes the Plan will continue indefinitely and is used to measure whether contribution rates are sufficient to keep the Plan fully funded over the long term. Funding reserves increased to \$2.3 billion, to be available as a cushion against future economic or demographic shocks. The market value of Plan assets as of the end of 2017 was \$10.8 billion, up from \$9.4 billion at the close of 2016.

MISSION AND FOCUS

The Plan's mission is to improve the financial security of members in retirement with meaningful and secure lifetime benefits supported by stable and appropriate contribution rates.

Benefit security is the Plan's central focus. It includes paying the portion of inflation protection that is conditional on the Plan's financial health, for pension service earned after 2007.

Another key focus is to keep contribution rates steady and at levels appropriate for the benefits earned. Doing so delivers value for members and employers and recognizes the desire for fairness among member occupational groups and generations.

Members rely on the Plan to be there to pay their pensions through the almost three decades they spend, on average, in retirement. The Plan upholds that trust by expertly managing the risks associated with delivering lifetime pensions, controlling long-term costs, delivering timely education and service, and being transparent in its communications.

Benefit security – delivered at stable contribution rates appropriate for the benefits earned and the strength of the benefit promise

Value – in return for contributions made by members and employers, including fairness across generations and different groups of contributors

Trust – built through expertise in managing risk, controls on long-term costs, delivery of timely education and service, and transparency

Other areas of focus include advocating with government and industry representatives on behalf of the Plan and its members and employers, and building alliances to communicate the value and efficiency of modern defined benefit pensions. Plan leaders welcome opportunities to make presentations and publish articles to advance these same messages with a wide range of stakeholders.

BENEFITS AND ADMINISTRATION

The Plan's actuarial, pension policy, and administration experts see that benefits are correctly administered in compliance with all pension-related regulations and that high-quality service is delivered efficiently and on a timely basis. The Plan also supports employers in properly carrying out their role in pension administration by providing them with education, tools, and other services.

PLAN FUNDING

Keeping the Plan properly funded is core to benefit security. Based on its actuarial valuation as at January 1, 2018, the Plan is 118% funded on a going-concern basis, up from 113% in the prior valuation as at January 1, 2017. The Plan's funding reserve was further strengthened through investment performance and temporary stability contributions, to reach \$2.3 billion, up from \$1.6 billion in the previous filed valuation. The reserve is available as a cushion against investment market declines, or larger-than-expected liability growth due to demographic shifts, making it an important instrument to keep benefits secure and contribution rates stable over the long term.

For valuation purposes, an asset smoothing calculation is used to spread the effect of annual investment gains or losses over a five-year period. Asset smoothing is performed in pension valuations as it better aligns investment returns with the long-term goals of funding and contribution stability. The smoothing adjustment as at January 1, 2018 creates a future valuation reserve cushion of \$1.0 billion in addition to the funding reserve of \$2.3 billion.

Based on the results of the January 1, 2018 actuarial valuation, conditional inflation protection increases will be made until at least January 1, 2021. In addition, contribution rates can remain at their current levels through the end of 2022.

The Plan measures its success against these key criteria:

- Securing promised pensions
- Paying conditional inflation protection
- Maintaining stable contribution rates that are appropriate for the benefits earned.

Angela Goodchild,
Vice President,
Service Delivery
Evan Howard,
Vice President,
Pension Management



Realistic assumptions

Economic and demographic assumptions, integral to funding projections, are reviewed at least annually to ensure they continue to be realistic and properly reflect the Plan's risk tolerance.

The discount rate is the estimate of long-term future net returns on the Plan's investment portfolio, a key factor in the Plan's funded status. For the January 1, 2018 valuation, the discount rate was maintained at 5.6%.

The valuation continues to assume that members currently retiring will live to 89 years on average while collecting their pensions, and anticipates further increases to life expectancy for future generations based on the updated Canadian Institute of Actuaries' mortality tables.

Key assumptions used in the valuation are listed in the financial statements on page 41.

Asset-Liability modelling tests funding forecasts

At least every three years, an Asset-Liability Modelling (ALM) study is carried out to verify the Plan's financial projections against a variety of diverse economic and demographic scenarios. Regularly conducting such

studies enables prudent planning and the evaluation of emerging risks and opportunities. The last full ALM study was conducted in 2016. Interim ALM studies were performed in 2017.

Funding policy cornerstone of benefit security

Since 2006, the Plan has used its Funding Policy to keep the Plan healthy over the long term to protect promised benefits, while managing through periods of volatility. The policy has three funding controls – reserves, contributions, and conditional benefits – and sets guidelines for the Plan governors to use these controls based on the Plan's financial health. The use of reserves and stability contributions supports the Plan governors' strong desire to keep benefits secure. Temporary stability contributions, currently 3% of pensionable earnings, are those above the basic amount required to fund the expected cost of member benefits. Together with investment returns exceeding the valuation discount rate, stability contributions are used to build reserves to secure benefits and to keep the Plan's contribution rates stable during periods of market volatility or absorb unexpected changes in liabilities.

The filed actuarial valuation determines the Plan's funded status and, accordingly, where the Plan sits within the levels of the Funding Policy. The Plan currently sits in Funding

VALUATION SUMMARY

Going-concern funding results (modified aggregate basis)	January 1, 2018 Filed valuation
ASSET VALUES:	(\$ millions)
Market value of net assets	10,821
Smoothing adjustment	(977)
Present value of future contributions	
Basic contributions	3,572
Supplemental contributions	1,366
Total actuarial value of assets	14,782
Liabilities for accrued benefits	9,190
Present value of future benefits for active members	3,283
Provision for indexation adjustments relating to post-2007 service to 2021	40
Total actuarial liabilities	12,513
Funding reserve	2,269

The Plan secures benefits by:

- Using prudent, realistic assumptions about future longevity, long-term investment returns, member demographics, and inflation
- Conducting ongoing and detailed analysis of Plan data, economic conditions, postsecondary education reform, and demographics to anticipate and manage change
- Setting basic contribution rates at levels appropriate for the benefits earned and setting stability contribution rates to meet the desired level of benefit security
- Investing contributions in a diversified mix of asset classes appropriate for the Plan's liabilities
- Evaluating opportunities for growth that enhance the Plan's efficiency and strength
- Maintaining a healthy funding reserve as a buffer against economic and demographic shocks.

The decision to allocate the surplus identified in the January 1, 2018 valuation to additional reserves aligns with the Plan governors' strong desire to keep benefits secure and contribution rates stable.

Level 4. In this level different options to allocate the surplus become available to the Plan governors: the setting aside of additional reserves, the pre-funding of conditional inflation protection, or reductions to contribution rates. The priority and timing of the allocation in Level 4 is not pre-determined; with each filed valuation the Plan governors evaluate the options available. This allows decisions to reflect the evolving needs of stakeholders or emerging risks to the Plan.

Reserves are a key tool in delivering benefit security with stable contribution rates

Reserves are an important tool in a jointly sponsored pension plan, such as the CAAT Plan, where members and employers share the ongoing funding obligations. Should a confluence of events such as an investment market decline, additional longevity improvements, or challenging demographic patterns lead to a funding deficit, members and employers together would be required to make up the shortfall by increasing contributions or reducing benefits earned in the future.

Reserves serve as a buffer against such economic and demographic shocks to reduce the probability of a future deficit and minimize the chance of a contribution increase.

Through their equal representation on the CAAT Plan's governing bodies, members and employers have voiced a strong desire to pay conditional inflation protection and to avoid both benefit reductions and future contribution rate increases.

Stable and predictable contribution rates benefit everyone. Employers can plan their budgets and members avoid adverse changes in take-home pay, while the Plan maintains a sustainable course.

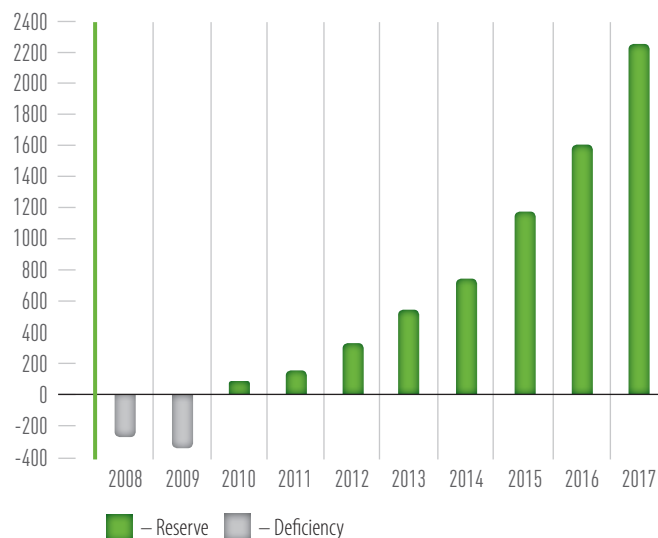
CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS IN 2017

	(\$ millions)
Net assets December 31, 2016	9,388
Investment income	1,466
Contributions received	444
Benefits paid	(457)
Pension administration expenses	(14)
Investment administration expenses	(7)
Net increase in assets available for benefits	1,433
Net assets December 31, 2017	10,821

Amounts do not add due to rounding.

FUNDING VALUATIONS HISTORY (as at December 31)

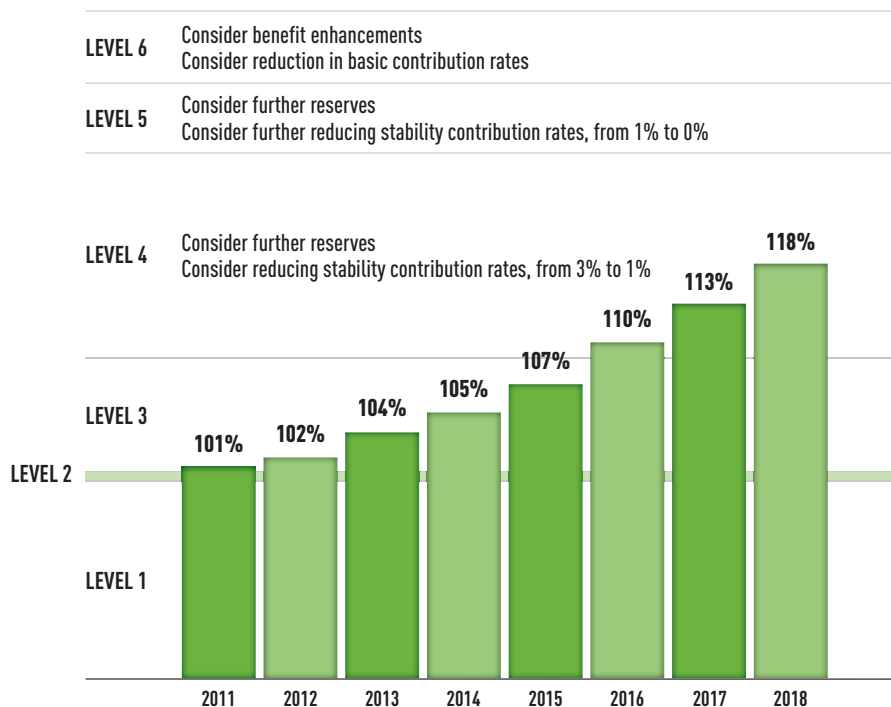
2008-2017 (\$ millions) on a going-concern basis



Funding adjustments:

- Contribution rates increased by 1% in each of 2008, 2009, and 2010
- Contribution rates increased by 0.8% in 2012 and 0.4% in each of 2013 and 2014 to help offset increased longevity costs.

FUNDING POLICY GUIDES DECISIONS



As at December 31.
The Funding Policy is summarized on page 40.

The Funding Policy defines six levels of Plan financial health and sets guidelines for the use of reserves, stability contributions, and conditional benefits at each level. Level 4 spans a broad band that allows Plan governors to determine how to best use reserves. The options available can be a combination of reducing stability contributions, building

additional reserves, and prefunding conditional inflation protection. With the Plan's funded status remaining in Level 4 based on the January 1, 2018 valuation, the Plan governors determined that building additional reserves was the most prudent option to further strengthen benefit security and contribution stability.

PLAN CHANGES

Sheridan Student Union joins Plan

The Sheridan Student Union joined the Plan effective September 1, 2017. Its 17 full-time and over 200 part-time staff now have access to a secure, defined benefit pension plan.

Merger with The Youth Services Bureau of Ottawa pension plan

Members of the Youth Services Bureau of Ottawa (YSB) pension plan joined the CAAT Plan on January 1, 2018 for future service, with overwhelming member approval to proceed with a merger of the plans.

The 90-day consent process that finished in late 2017 saw 100% of votes from active YSB plan members cast in favour of the merger with 99.6% of eligible votes submitted, while no retired or deferred members objected. This overwhelming engagement and consent clearly exceeds the regulatory requirements of two-thirds of active members approving the merger and no more than one-third of retired and deferred members objecting to it.

Under the merger, the 300 active, retired, and deferred pension YSB plan members will receive a pension based on the YSB plan provisions for service accrued



Alan Elliott,
Director, Project
Management (left)
Andrew Mathenge,
Director,
Information Technology

to December 31, 2017, and a pension based on CAAT Plan provisions for service accrued after that date.

The asset transfer application has been made to the Financial Services Commission of Ontario, a process expected to be completed during 2018.

The merger allows the YSB to exit the pension-management business and focus on its core work of supporting youth and families with programs and services in housing, mental health, youth justice, employment, health, diversity, and youth engagement.

Plan amendments

On May 31, 2017, the Plan governors approved a restatement of the Plan Text to bring the document up-to-date by removing obsolete provisions, ensuring alignment with legislation, and giving members added flexibility. The restated Plan Text is effective January 1, 2018.

The Plan Text is filed with the regulators: the Financial Services Commission of Ontario and the Canada Revenue Agency. As part of the Plan's commitment to transparency, the new document is available on the website alongside a

redlined version of the prior Plan Text, showing the changes made through the restatement.

Most of the changes were administrative in nature and reflect existing practices; however, there were two primary changes that affect members:

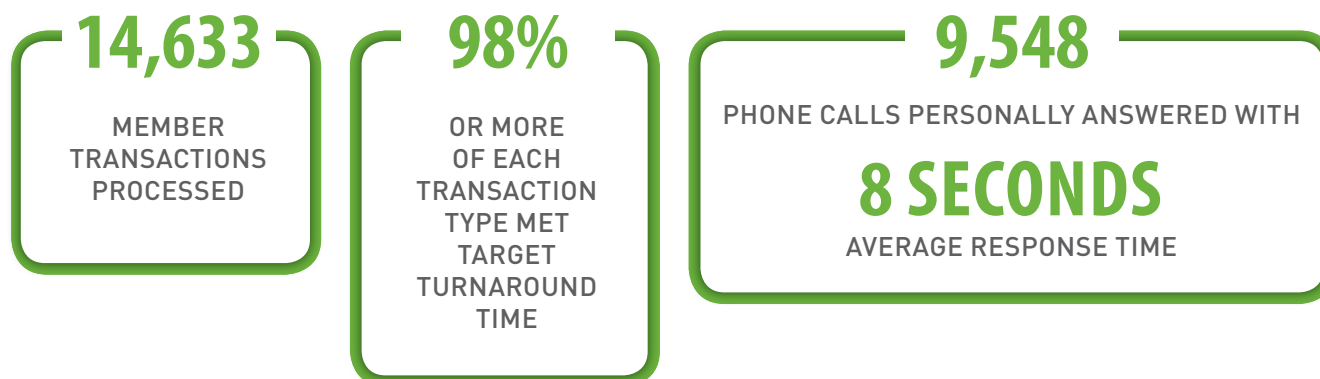
- **Change to eligibility for common-law marital status under the Plan**

Effective January 1, 2018, a new common-law relationship is recognized when the member has lived with the common-law spouse for at least three years, rather than one year. A common-law relationship of less than three years continues to be recognized by the Plan if the member and common-law spouse live and have children together.

By moving to the three-year definition, the Plan better aligns with the Ontario Pension Benefits Act, while providing members who are in a common-law relationship of less than three years (assuming there are no children together) the flexibility to choose a designated beneficiary for this period.

- **Consistent cost for purchases of leave periods**

The Plan Text restatement clarified that all service purchase costs are calculated using the same methodology, ensuring consistent treatment for all members regardless of the reason for a leave or other gap in service.



MEMBER SERVICE AND COMMUNICATION

Up to the point that a member's pension begins to be paid, their experience with and trust in the Plan rests solely on the information and service they receive, making these important areas of focus.

Service standards met, turnaround times improved

The Plan's service standards for quality and timeliness were met or exceeded for all transactions in 2017. Volumes of pension estimates and terminations were up 19% and 33% respectively over 2016, while retirements declined 4%, and member inquiries held steady. Increasing automation of calculations and correspondence created further efficiencies that improved turnaround times.

Annual member statements delivered ahead of schedule

The mailing of more than 25,000 annual statements for active members was completed on May 24, well in advance of the June 30 deadline and the earliest the Plan has completed this distribution. Over half the statements were mailed by the end of April. Employers played an essential role in this achievement by submitting timely and accurate data.

In another first, all members with a deferred pension were issued an annual statement. These were sent in May after the annual April mailing of statements to retired members and survivors.

Pension estimator enhanced

The easy-to-use 3-step Pension Estimator was further improved to provide members with a clearer picture of their retirement income, including government pensions. The online tool now compares estimates for different retirement dates, includes a total retirement income module to estimate Canada Pension Plan and

Old Age Security pensions, and can be used on any smartphone or tablet and with any Internet browser.

Making strike service purchases easy for members and employers

A plan to deal efficiently with the expected high number of service purchases by college faculty members was introduced within a week of the end of the faculty strike in late fall 2017. The process minimizes work effort for employers by providing an option to have the Plan issue purchase quotes directly to affected members. For members, webinars and on-demand videos explain how service purchases work and the estimated cost so they can make an informed decision.

Award-winning communication

Pensions can be complex, but the Plan's communications program makes them easier to understand by focusing on what matters, using plain language, and offering information through a range of media.

The focus is on:

- showing the value of members' pensions for contributions made
- providing members with the specific information they need to make pension decisions at various stages of life
- demonstrating that the Plan is well-managed and members' benefits are secure.

Active, retired, and deferred pension members receive regular updates through their annual statements, newsletters, and email. Additional targeted communications are created for those affected by a change.

All general active and retired member communication is available simultaneously in French and English, and

104PRESENTATIONS,
WEBINARS, AND VIDEOS
DELIVERED TO
6,541 MEMBERS**5,507**EMAILS AND VOICE
MAILS FROM MEMBERS
RESPONDED TO**2,326**EMAILS AND VOICE
MAILS FROM EMPLOYERS
RESPONDED TO

member-specific correspondence is delivered in the official language of the member's choice.

The Plan's communications have been recognized with numerous awards, as noted on page 22.

Building Plan Champions

The more that members know about the Plan, the more they value their pensions. That's beneficial to them, their employers, and the Plan.

The Plan's engaging and highly popular retirement education presentations have proven effective at increasing understanding and appreciation of the value of a CAAT pension. Feedback surveys of session participants show over 80% value their pension more as a result of attending and 88% said they were very likely to recommend the presentation to colleagues.

A strategy to reach 5,000 members through presentations, webinars, and videos was born out of this feedback as a way to build 'Plan Champions' – those who rate the value of their pension as excellent in the annual opinion survey. The Plan worked closely with employers and other hosts to hold more sessions and to promote the sessions to increase attendance.

Regional presentations a continuing success

As part of the reaching 5,000 initiative and following a successful pilot in late 2016, the Plan launched a series of regional presentations offered on Saturdays that drew over 800 members, their spouses, and other family members to take part in interactive retirement planning presentations. Sessions were hosted at Centennial, Conestoga, Durham, George Brown, Seneca, and Sheridan colleges, and invitations

went out to members working at nearby colleges as well.

Webinar offerings during 2017 included the retirement planning series, past service purchases, and a presentation by the Plan's CEO on the Plan's strong performance, funding health, and future direction.

Goal to reach 5,000 members surpassed

In all, from September 1, 2016 through 2017, 6,541 members attended 80 presentations at 28 locations across the province, watched 15 webinars, and screened the pre-retirement videos.

As detailed on page 21, the annual survey of active members showed that more rated the value of their pension as excellent than in the prior year and those

PENSION EDUCATION SESSIONS FROM SEPTEMBER 2016 TO END OF 2017

	Sessions	Participants
Workplace presentations	75	2,346
Regional presentations (held Saturdays)	5	834
Webinars (live and on-demand)	15	1,776
Videos (on-demand)	9	1,585

who attended presentations were up to four times as likely to rate the value of their pension as excellent compared to those who had not attended a presentation.

Exit surveys from the sessions show participants are learning more about their pensions and the Plan now that the presentation has been reformatted into a more interactive session.

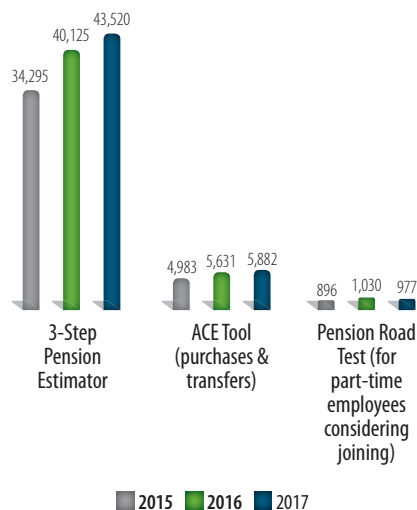
Website and online tools are helpful, popular

The Plan's website offers both general content about the Plan and information and tools that help members and prospective members understand and make decisions about their pension benefits. During 2017, the estimators were used more than 50,000 times (as detailed in the graph below) to project pensions, estimate the cost of past service purchases, and provide a cost-to-benefit comparison for part-time employees considering joining the Plan.

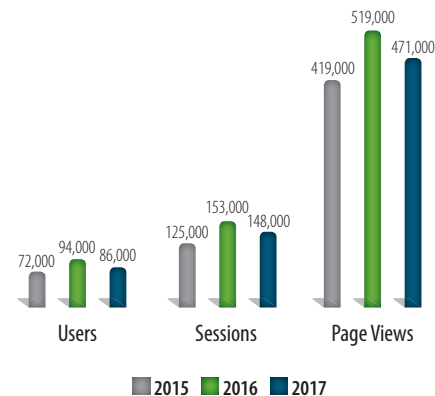
ONGOING SUPPORT FOR EMPLOYERS

The Plan relies on participating employers to carry out certain core functions of pension administration, including enrolling employees, remitting contributions, reporting data, and distributing publications. To assist employers and lower the risk of administrative errors, the Plan provides ongoing

USE OF ONLINE ESTIMATOR TOOLS



WEBSITE USE



Rounded numbers

education, a newsletter, support materials, and tools. During 2017, there were seven training sessions on specific topics while update sessions, delivered as webinars, were held quarterly.

Compliance monitoring

2017 was the second year of the annual attestation by employers of their compliance with the Plan's administrative processes. Employer feedback continues to help fine-tune the process.

On-site reviews of employer administrative processes also continued, with the two employers visited both passing the review. These reviews identify opportunities for process improvements or training needs, as well as best practices that can be shared with all employers.

Strengthening understanding and relationships with employers

Throughout 2017, Plan representatives met with employers' finance, payroll, and human resources teams, in person and via teleconference, to further the Plan's understanding of employer staffing strategies and administrative challenges. These meetings often identify ways to assist employers with data reporting and how to apply the value of the Plan in their recruitment, retention, and other workforce management strategies. Based on feedback from one of these meetings, postcards were developed to help communicate the benefits of the Plan during recruiting.

KEEPING THE PLAN RELEVANT: LISTENING TO STAKEHOLDERS

Each year the Plan surveys members and employer administrators about their views of the Plan. The findings provide important input when setting strategic priorities. Core questions in the member surveys ask respondents' opinions of the value they receive for their contributions, how well represented they are by the joint governance structure, and their view of the Plan's expertise and reputation.

More than 4,900 members responded to the 2017 surveys, including 2,697 active members and 2,231 retired members. The questionnaires are completed online, with an option for retired members to participate by telephone.

Survey results show members value pension more than ever

The surveys continue to show the ways that members value their pensions and highlight their trust in the Plan's governors and pension experts to manage their benefits.

Value ratings rose over the prior year, with 93% of active members rating the value of their pension as excellent, good, or reasonably good for the contributions they made, compared to 91% the prior year. Those rating value as excellent rose three percentage points to 16%. Retired member ratings of value were up one percentage point overall, with 98% giving one of the top three ratings and 32% once again rating value as excellent.

Members who had attended Plan presentations continued to assign the highest ratings for value – they were up to four times as likely to rate value as excellent compared to those who had not attended a session.

Respondents who report having an excellent or very good understanding of the Plan are more than four times as likely to rate the value of their pension as excellent compared to those who report lower levels of understanding.

These findings indicate the Plan's strategy to reach 5,000 members through pension education presentations, webinars, and videos is having the desired effect of increasing members' understanding of their pension benefits and thus their appreciation of the value they receive from the Plan.

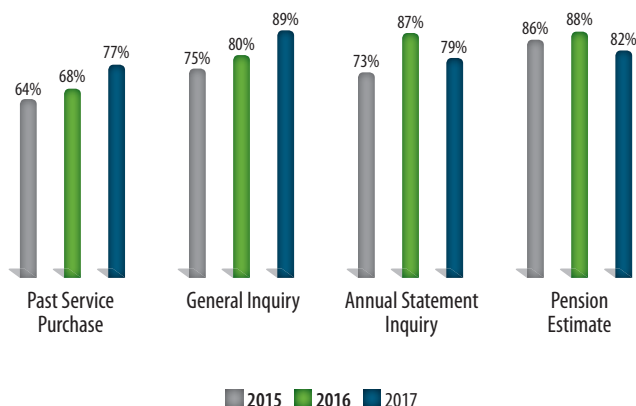
Employers continue to rate the value of the Plan highly with college chief financial officers assigning a rating of 8 out of 10 to the value compared to the cost to offer the Plan.

Satisfaction with joint governance, Plan expertise

Ninety-six percent of active members and 98% of retired members with opinions on the topic believe their interests are satisfactorily or very well represented through the Plan's joint governance structure.

Ninety-eight percent of active members and 99% of retired members agree or strongly agree that the Plan has the expertise to manage effectively and prudently. Seventy-nine percent of active members and 97% of retired members said they regard the Plan's reputation as good or excellent.

MEMBERS RATING SERVICE AS EXCELLENT, VERY GOOD, OR GOOD



Member support for advocacy remains strong

The number of active members who say they are very concerned or somewhat concerned about the ongoing debate on the fairness and affordability of public sector pension plans reached 80%, up two percentage points from the prior survey. Among those with an opinion, 96% said they expect the Plan to be active in the public pension debate, the same result from the previous survey.

Active members reported that when voting in provincial and federal elections they rate the importance of pension policy issues as 71 out of 100 on average.

The Plan's advocacy activities are summarized on pages 24-25.

Member satisfaction with service

Survey questions about active members' experiences with key transactions show the vast majority give one of the top three ratings of good, very good, or excellent for the service they received. In their survey, 97% of retired members said they were somewhat satisfied (10%), satisfied (63%), or very satisfied (24%) with the Plan's service overall.

Employer service satisfaction continues to climb

There were 76 respondents to the employer administrators' survey from a wide range of roles in human resources and finance. Ninety percent reported feeling confident or very confident in the Plan's expertise to manage funding and administration in compliance with all relevant legislation.

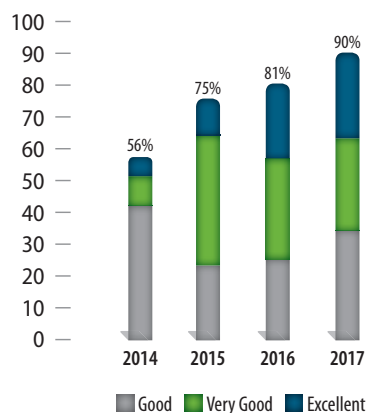
Employer satisfaction with service has climbed steadily since tracking began in 2014. In the 2017 survey, 90% rated the service they receive from the Plan as excellent, very good, or good. Those rating service as excellent rose to 27% from 23% in the last survey.

OPERATIONAL RISK MANAGEMENT

Internal risk controls

Work continued on the development of an operational risk and controls documentation and review function, including implementing an operational risk reporting process, continued testing of the risk documentation tools, and performing a risk analysis of the Plan's various operational functions.

EMPLOYER VIEWS OF SERVICE THEY RECEIVE – TOP 3 SCORES



The Plan's business continuity program was reviewed and updated to ensure that core functions such as paying pensions can continue in the event of a business interruption.

Pension confirmation process

As part of its fiduciary duty to all members, each year the Plan asks all retired members and survivors to complete and return a pension confirmation form. The confirmation process reminds retired members of their obligations to inform the Plan of changes and mitigates the risk of paying a pension to anyone other than those entitled to one. The increasingly timely return of the completed forms and a decline in the number of questions reflect that pension recipients have become accustomed to the process since it was rolled out in 2015.

Plan's expertise recognized by industry awards

The Plan received a Gold Award as one of Aon's Best Small and Medium-sized Employers in Canada for 2018. The standings are based on the results of an employee survey that measures employee engagement.

The Plan's article "Designing retirement schemes Canadians want: observations from a Modern DB Pension Plan" was listed as one of the best pension papers in North America by the Savvy Investor Awards.

The Plan was a finalist in two categories for the World Pension Summit Innovation Awards: in the Pension Reform category for the initiative Modern DB for all; and in the Member Engagement category for the Building Plan Champions campaign.

It was also a finalist in Benefits Canada's 2017 Workplace Benefits Awards in the Pension Plan Communications category, for its Reaching 5,000 Members (Building Plan Champions) initiative.

DEMONSTRATING HOW MODERN DEFINED BENEFIT PLANS ARE GOOD FOR PARTICIPANTS, AND FOR CANADA

Throughout 2017, the Plan continued its strategy to show that Modern Defined Benefit pension plans are the most efficient way to deliver secure retirement income – a sustainable alternative to the trend to close or replace defined benefit plans with inferior alternatives.

Senior staff made several presentations to external audiences about the CAAT Plan's success as a Modern Defined Benefit pension plan. Interviews and articles were also published. One of these, "Designing retirement schemes Canadians want: observations from a Modern DB Pension Plan," garnered recognition as one of the best pension papers in North America in 2017*.

SUPPORTING INFORMED DISCUSSIONS, RESEARCH

Plan staff actively participate in various pension industry groups to ensure the interests of broader public sector plans and, more specifically, Modern DB pension plans, are known and understood.

The Plan's CEO Derek W. Dobson co-chairs the Canadian Public Pension Leadership Council (CPPLC), a non-partisan group of public pension plans from across the country. The 10 plans that belong to the CPPLC are working to promote a thoughtful, evidence-based national pension policy discussion.

As a member of the CPPLC, the Plan helped to organize and participated in a day-long forum hosted by the CPPLC that convened senior administrators, chairs, and trustees from 25 leading public pension organizations across the country to discuss issues of interest to the public pension community. Held in April in Toronto, the event included panel discussions and featured the release of a CPPLC-sponsored study *The Pensions Canadians Want: The Results of a National Survey*.

The Plan also became part of the 'National Pension Hub' established by the Global Risk Institute in Financial Services. The hub will serve as a Canadian centre for pension and income security research leading to innovative solutions to pension design, governance, and investment challenges.

Senior staff members continue to serve on the Association of Canadian Pension Management (ACPM): Derek W. Dobson on the board of directors; Evan Howard, Vice President of Pension Management, on the ACPM's National Policy Committee; John Cappelletti, Manager, Stakeholder Relations, as Chair of its Strategic Initiatives Committee; and David Gordon, Manager, Policy, on the Ontario Regional Council.

Characteristics of a Modern Defined Benefit plan:

- Independent, with the singular purpose to deliver pension benefits
- Jointly governed by members and employers – decisions and costs are shared 50/50
- Expertly managed
- Multiple employers – benefit security is not tied to a single employer's financial health
- Formal funding policy – that uses reserves, contributions and conditional benefits to protect benefits over the long term, and considers intergenerational equity.

* Listed second as Highly Commended in the Savvy Investor Awards 2017 Best Pensions Paper.

ADVOCATING IN THE BEST INTERESTS OF THE PLAN, ITS MEMBERS, AND EMPLOYERS

Plan staff monitors the development of pension-related legislation as well as proposals from professional and industry groups that may influence legislation, making submissions when it is appropriate to represent the collective interests of the Plan and its key stakeholders – members and employers. In 2017 the Plan was active in several areas.

PLAN EXEMPT FROM NEW PENSION FUNDING RULES DESIGNED FOR SINGLE-EMPLOYER PLANS

The province announced a new funding framework that shifts single-employer pension plans (SEPPs) to a new going-concern regime with specifically mandated reserves. As well, SEPPs will be required to fund to a minimum solvency funding level.

Together with other jointly governed, multi-employer pension plans (JSPPs), the CAAT Plan took part in the government's consultation on the new framework and impending regulations and, as a result, will not be affected by these rule changes. The exemption reflects the unique characteristics and risk-sharing structure of a multi-employer, jointly sponsored pension plan. The exemption from the new rules enables the CAAT Plan to continue to manage for the long term in accordance with its well-established Funding Policy. The policy provides for the proper management of contributions and the ability to better manage intergenerational equity – two key goals of the Plan and its sponsors.

Keeping Plan design decisions with the Plan sponsors: early retirement

There is continuing worldwide debate on whether people should work longer, given increased longevity. When the debate is directed at workplace pension plans, the Plan acts to ensure pension plan design elements remain within the control of Plan sponsors, who are in the best position to evaluate the current and future needs of their participants.

In October, the Plan responded to the Canadian Institute of Actuaries Notice of Intent regarding "Whether Canadians should plan to work later." Central to the Plan's submission is the notion that the actuarial professional body must respect the responsible governance of pension plans, which are best placed to determine early retirement provisions based on the needs of their stakeholders and the associated costs, and avoid venturing into areas beyond its mandate of providing data and evidence.

Launch of Pension Champions website

In December, the Plan unveiled a special section of its website focused on educating stakeholders about Modern DB pension plans. The site features a series of videos explaining how Modern DB plans work, a facts page, and a list of the Plan's speaking engagements, articles, and government submissions related to the Modern DB model.

How Canada is made stronger by Modern Defined Benefit plans:

- Adequate retirement income reduces seniors' reliance on government social programs
- During their working years, members are less worried about saving for retirement, benefitting them and also their employers, as financial stressors negatively affect employee health and productivity
- Members have the flexibility to retire when they want or need to rather than staying on after an investment market downturn, which is often when employers may need to manage payroll costs
- Retired members, confident in their steady monthly income, spend their pensions, boosting local economies
- Pension plans are sophisticated long-term investors that can be a stabilizing force in the economy and investment markets.

THE CAAT PLAN OFFERS WHAT CANADIANS WANT: SECURE LIFETIME BENEFITS WITH LOWER RISK, STABLE COSTS

The success of the Royal Ontario Museum (ROM) plan merger with the CAAT Plan in 2016 generated interest from a wide range of employers and employee groups that want to explore joining the CAAT Plan. These include organizations from the postsecondary education sector as well as public and private sector plans within Ontario and beyond.

For employers, joining the Plan spares them the risks and administrative cost and effort of running their own pension plan while enabling them to offer a secure DB plan that helps attract and retain talent. Research shows Canadians across all age and income groups want secure, predictable, lifetime retirement income and are willing to make the appropriate contributions needed to pay for these features.* Offering a DB plan also increases engagement, reduces other benefit costs, and helps with workforce management.

The CAAT Plan is well-positioned to meet the growing demand for a secure and valuable pension plan.

* The Pensions Canadians Want: The Results of a National Survey, Report on a Survey Prepared for the Canadian Public Pension Leadership Council, April 13, 2017.

The Plan is in detailed discussions with several organizations and employee groups about their prospects for joining. Organizations without a retirement savings arrangement or with a group RRSP, a defined contribution plan, or a DB plan, may apply to join the CAAT Plan and enroll their employees after approval is obtained from the Plan governors. Existing DB plans can be merged into the CAAT Plan, with the CAAT Plan taking over responsibility for all past liabilities, as was the case with the ROM plan merger.

PRINCIPLES ENSURE GROWTH BENEFITS ALL PLAN STAKEHOLDERS

The CAAT Plan governors are aligned with the goal to make the Plan stronger through expansion beyond the postsecondary education sector.

Extensive testing of the benefits of mergers from within and outside the sector show that growing membership in the Plan makes it stronger and more secure, accelerating when contribution reductions can be considered. Diversifying the membership also enables the Plan to better manage longer-term investment market and demographic risks.

Every prospective new employer is thoroughly evaluated by the Board of Trustees and the Sponsors' Committee against the principles they have set for growth. Those principles

say that any type of growth must be in the best interest of the Plan and its members and specifically that the Plan will not take on the unfunded liabilities of another plan. As expert managers of pension risk, the CAAT Plan factors the cost of assuming past benefits and other risks into its pricing of potential mergers.

The CAAT Plan is well-positioned to meet the growing demand for a secure and valuable pension plan. Proper due diligence and appropriate pricing will ensure this growth strengthens the Plan for all members and keeps it relevant in a changing environment. At the same time, the Plan remains committed to investing in systems and people to ensure service to existing members and employers continues to improve as new groups join.

Webinar explains growth strategy

In September 2017, the CEO explained in a webinar why the Plan is focused on growth over the long term. The recording is available on the website.

“We’d been managing our own plan but administration was costly and the impact of low interest rates required solvency payments that were having an impact on our program budgets. After exploring joining several jointly sponsored pension plans we settled on the CAAT Plan because they were willing to administer our prior plan with no loss of past service for our members.

They also worked with us to educate our employees about the merger and provide them with personalized projections of the pension they would receive. That over 99% voted in favour of the merger is a testament to the trust the CAAT Plan built with them.”

– Wes Richardson
Director of Finance
Youth Services Bureau of Ottawa



INVESTMENT MANAGEMENT

The CAAT Pension Plan's investment program is designed to generate sufficient long-term returns with a level of risk that is appropriate for the Plan to meet its key measures of success: securing and paying members' pensions, paying conditional inflation protection, and maintaining stable contribution rates at levels that are appropriate for the benefits earned.



Julie Cays,
Chief Investment Officer

The Plan's team of investment professionals implements the investment policies established by the Board of Trustees. The team recommends to the Board of Trustees the asset mix based on Asset-Liability Modelling studies conducted every few years. These studies test the future potential investment performance of various asset mixes and funded status and other key outcomes under a range of economic and demographic scenarios.

The Plan's investment strategy is implemented through a mix of

external investment manager relationships as well as private market fund investments and co-investments. The result is a well-diversified portfolio with exposures to appropriate types and levels of investment risk consistent with the strategic goals.

DIVERSIFIED PORTFOLIO

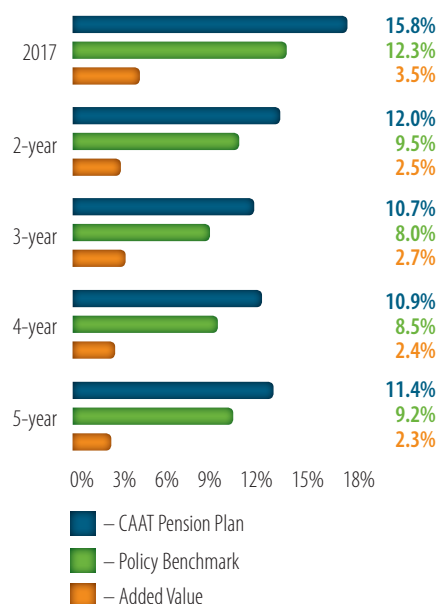
The Plan's diversified investment portfolio falls into three broad categories: Interest-rate-sensitive, Inflation-sensitive, and Return-enhancing.

Interest-rate-sensitive and Inflation-sensitive assets help to offset the

sensitivities to changing interest rates and inflation that impact the valuation of the Plan's pension payment stream. Interest-rate-sensitive asset classes comprise long and universe bonds while Inflation-sensitive asset classes comprise real assets (real estate and infrastructure), real-return bonds, and commodities.

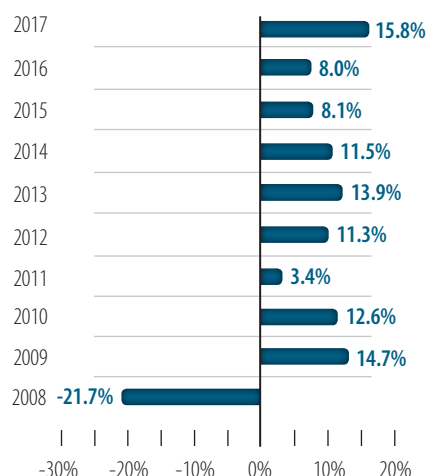
Return-enhancing assets, comprising public and private equities, help the Plan meet its expected rate of return and keep contribution rates appropriate and affordable for contributing members and employers.

NET RETURN VS. POLICY BENCHMARK



ANNUAL RATES OF RETURN

(net of investment management fees)



Over the past five years, the Plan has delivered an annualized net rate of return of 11.4%, adding \$1.1 billion of value above the policy benchmark returns.

Asset mix aligned to liabilities

An Asset-Liability Modelling study done in 2016 resulted in adjustments to the asset mix policy, which will be fully implemented over several years. The adjustments increase the allocation to private equity to 15% and increase the allocation to real assets to 20% of total assets. The public equity asset classes will be reduced over time to fund these increased allocations.

These long-term investments are a better fit for the long-term nature of the Plan's liabilities and its risk tolerance given its ability to manage through periods of volatility.

The asset mix continues to be well-diversified, with exposure to a broad range of asset classes.

Careful selection of investment partners

The CAAT investment team oversees the implementation and monitoring of the diversified asset mix implemented

via 50 investment and fund managers in public and private asset classes, as well as a number of co-investments in private equity and infrastructure assets.

In selecting investment and fund managers and co-investment partners for recommendation to the Investment Committee, as well as monitoring them on an ongoing basis, the investment team follows disciplined processes for due diligence with the intent of hiring investment and fund managers that:

- are aligned with the interests of the Plan
- have cohesive teams with a high level of integrity
- have successful track records based on compelling and sustainable investment strategies, and
- in the case of fund investments, are willing to afford investors reasonable rights and protections.

The processes, which vary for public and private market asset classes

and for co-investments, consider a myriad of factors concerning a firm's organization, staff, investment strategy and process, portfolio characteristics, how environmental, social, and governance factors are considered in the investment process, and fees. Additionally, operational due diligence processes are carried out by the Plan's finance team to minimize non-investment related risks, such as reporting or operational errors and fraud.

MARKET OVERVIEW

In 2017, the monetary stimulation in place since the global financial crisis had its intended effect in producing synchronized global economic growth. And so, 2017 represented the turning point for central banks with many, including the Bank of Canada, starting to tighten interest rates.

This solid economic growth helped to boost corporate earnings and equity markets around the world, with many

NET INVESTMENT RETURN BY ASSET CLASS RELATIVE TO BENCHMARK

as at December 31, 2017 (net of expenses)

ASSET CLASS	ASSETS INVESTED** (\$ Millions)	CAAT 2017 RETURN	BENCHMARK	VALUE ADDED
Interest-rate sensitive				
Long-term bonds	\$1,722	6.9%	7.0%	(0.2%)
Universe bonds	\$523	2.7%	2.5%	0.2%
Inflation sensitive				
Real-return bonds	\$543	0.8%	0.8%	0.0%
Real assets	\$1,402	16.4%	7.1%	9.3%
Commodities	\$545	(3.1%)	(1.2%)	(1.9%)
Return-enhancing				
Canadian equity	\$534	8.0%	9.1%	(1.1%)
Global developed equity*	\$3,731	20.0%	14.6%	5.4%
Emerging markets equity	\$1,078	29.7%	28.3%	1.4%
Private equity	\$661	24.8%	18.8%	6.0%

*Global developed equity includes U.S. equity, international equity, and global equity portfolios.

The total fund return of 15.8% includes 1.1% from the impact of currency hedging.

**Assets invested reflect the effective exposures (actual exposures plus overlay positions).

Numbers are subject to rounding.

indexes producing double-digit gains and record highs. Europe, Australasia and Far East (EAFE) and emerging market equities outperformed North American markets as they benefitted from both economic improvements and attractive valuations relative to those in North America.

The Canadian equity market lagged other markets over the year, returning 9.1%. Uncertainty about the outcome of NAFTA negotiations was a contributor to this underperformance. Emerging market returns led the major index returns at 28.3% for the year, albeit with reasonable divergence among countries. The U.S. market rose by 13.8% and non-North American developed markets by 16.8%.

Unemployment in the U.S. reached a 17-year low in October and Canada recorded 11 straight months of job gains. All of this was enough to raise The Conference Board of Canada's

Consumer Confidence Index to its highest point since 2000.

The Bank of Canada raised the overnight policy rate twice in 2017 bringing it to 1.0%. Long-term Government of Canada rates fell however, from 2.45% at the beginning of the year to 2.20% at the end, leading to positive returns from bonds. The Long Bond index rose 7.0% over the year. Likewise, Government of Canada Real Return Bond yields fell from 0.70% to 0.52% over the same period, leading the broader real-return bond market to increase slightly.

STRONG LONG-TERM PERFORMANCE

Plan assets reached \$10.8 billion at December 31, 2017, compared with \$9.4 billion at the end of 2016. The Fund returned 15.8% net of investment management fees in 2017, outperforming its policy benchmark by 3.5%.

BENCHMARKS APPLICABLE TO ASSET CLASSES

ASSET CLASS	BENCHMARK
Interest-rate sensitive	
Long-term bonds	FTSE TMX Long Bond Index
Universe bonds	FTSE TMX Universe Index
Inflation sensitive	
Real-return bonds	Actual RRB Portfolio Return
Real assets	CPI + 5%
Commodities	S&P GSCI Commodity Index
Return-enhancing	
Canadian equity	S&P/TSX Composite Index
Global developed equity	MSCI World ex Canada Index
Emerging markets equity	MSCI Emerging Markets Index
Private equity	MSCI ACWI + 3%

Over the past five years, the Plan has delivered an annualized rate of return of 11.4%, net of investment management fees, outperforming its policy benchmark by 2.3% per annum. This five-year performance has added \$1.1 billion in value to the Plan's assets above the policy benchmark returns.

All asset classes except Commodities contributed positively to returns in 2017. Unsurprisingly, given market performance during the year, investments in public and private equities made the largest contributions to performance. Real Assets as well as the Fund's currency hedging policy, as defined in the Plan's Statement of Investment Policies and Procedures, also contributed positively to returns.

The performance in each asset class is measured in comparison to a relevant benchmark return, as listed in the table on page 29. The following provides commentary on this performance.

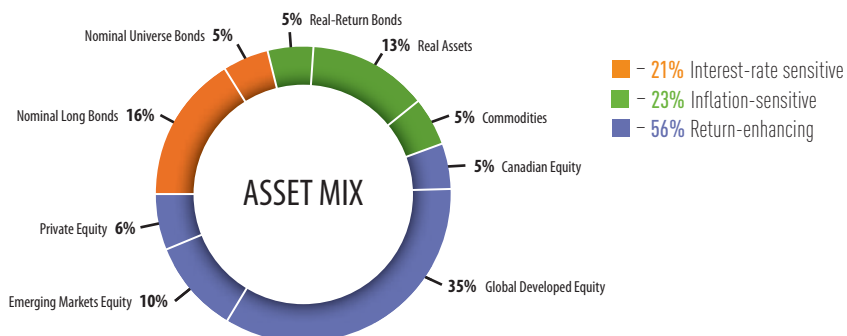
Canadian Equity

The Canadian Equity portfolio has a slight bias towards high quality, midcap stocks. The portfolio underperformed its benchmark (the S&P TSX Composite Index) in 2017 due to stock selection decisions in the Financials and Energy sectors. Over the past five years, the portfolio has added value over the benchmark.

Global Developed Equity

The Plan's Global Developed Equity portfolio combines managers with U.S., international, and broad global equity mandates. This portfolio outperformed its benchmark (the MSCI World ex Canada Index) significantly in 2017, and has outperformed over the past five years as well.

WELL-DIVERSIFIED \$10.8 BILLION IN INVESTMENTS



The U.S. Equity sub-portfolio is structured such that the majority of the active risk is taken within portable alpha mandates. Portable alpha involves using derivatives to replicate the return of the index – in this case the S&P 500 – and using hedge funds in place of active management of the asset class represented by the index – in this case U.S. large cap equities. This program added value in 2017, and over the past five years.

The International Equity sub-portfolio also added value, both in 2017 and over the past five years. This portfolio has been structured with a bias towards small cap stocks; this positioning was a significant contributor to added value in 2017.

The Global Equity sub-portfolio added significant value in 2017, and over the past five years. In 2017, the portfolio benefitted from stock selection decisions in China, Japan, and the U.S.

Emerging Markets Equity

The Emerging Markets Equity portfolio has been structured to focus on stocks whose performance will be driven mainly by growing domestic consumer demand within emerging markets. This implies an overweight to consumer, health care, financials, and e-commerce sectors, and an underweight to

commodity sectors. This positioning added value both in 2017 and over the past five years. In addition, the portfolio has a bias towards small cap stocks. This positioning added significant value in 2017.

Commodities

The Commodities portfolio has been structured to match the performance of the S&P GSCI Enhanced Index. This structuring decision led to underperformance versus the benchmark (the S&P GSCI Index) in 2017. Over the past five years, the portfolio has added value over the benchmark.

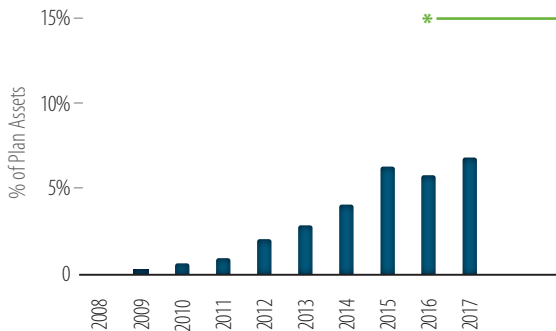
Bonds

The portfolios in Long, Universe, and Real-return Bonds performed in line with their benchmark indices in 2017, as they have over the past five years. The majority of assets in these portfolios are managed passively.

Private Equity

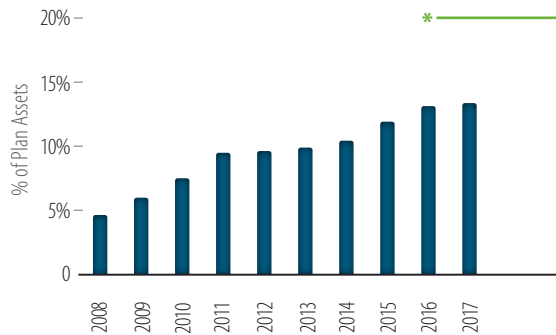
The Private Equity portfolio consists of investment funds and co-investments. While funds continue to make up the majority of the portfolio, co-investments (direct investments in private companies alongside a lead investor) have become a larger strategic focus. Co-investments are generally pursued in order to reduce

PRIVATE EQUITY INVESTMENTS



***Policy target:** The Plan's policy allocation to Private Equity increased from 5% to 15% in 2016.

REAL ASSET INVESTMENTS



***Policy target:** The Plan's policy allocation to Real Assets (real estate and infrastructure) increased from 15% to 20% in 2016.



**Kevin Fahey, Director,
Investments (left)**
**Asif Haque,
Director, Investments**

or eliminate management and incentive fee payments that would otherwise be payable to fund managers, and also to assist with customizing characteristics of the portfolio. Through the end of 2017, the Plan has completed five private equity co-investments, with one full realization at a strong rate of return.

The Private Equity portfolio has a global footprint with a tilt toward U.S. holdings. In 2017, the portfolio outperformed its benchmark, benefitting from strong manager selection relative to the universe of available funds.

Real Assets

The Real Assets portfolio consists of private infrastructure and real estate investments, including Canadian farmland, which are held through private investment funds or co-investments.

The infrastructure portfolio is globally diversified with an increasing focus on co-investments which, similar to the Plan's private equity co-investments, generally benefit from lower investment fees relative to investment funds.

Canadian assets represent the majority of the Plan's real estate holdings. However, in recent years the real estate strategy has focused on increasing exposure to investments outside Canada.

During 2017, the Real Assets portfolio continued to benefit from historically high valuations in both infrastructure and real estate. Strong returns combined with a low level of Canadian inflation (which forms the basis of the Real Assets benchmark), resulted in outperformance relative to the benchmark.

INVESTING FOR SUSTAINABILITY



Kevin Rorwick,
Chief Financial Officer

The principal investment goal of the CAAT Plan is to maximize long-term, risk-adjusted returns to secure pensions at appropriate contribution rates. The Plan believes that, over the long term, companies that have sound corporate governance structures and practices will outperform those that do not, and that managing the risk to long-term shareholder return includes awareness and management of the environmental and social impacts of a corporation's business activities. Inattention to these impacts can result in, among other things, reputational harm that in turn can lead to financial underperformance.

In carrying out investment activities, the Plan follows its Responsible Investing Policy that covers: 1) proxy voting, 2) corporate engagement, and 3) encouraging the integration of environmental, social, and governance (ESG) factors in investment processes.

PRINCIPLES FOR RESPONSIBLE INVESTMENT INITIATIVE

The CAAT Plan is a signatory to the United Nations-supported Principles for Responsible Investment, together with over 1,800 institutional investors from more than 50 countries. The signatories to the six Principles for Responsible Investment believe that: “an economically efficient, sustainable global financial system is a necessity for long-term value creation. Such a system will reward long-term, responsible investment and benefit the environment and society as a whole.”

PROXY VOTING

The CAAT Plan’s Responsible Investing Policy states that the Plan will vote the proxies attached to its shareholdings thoughtfully and responsibly and that shareholder proposals dealing with ESG factors will be examined on a case-by-case basis, taking into account the effects of the proposals on shareholder value.

The Plan encourages corporations to improve disclosure on ESG factors and risks so that investors are better able to take such factors into account when looking at the risk and return prospects of investments in their portfolios.

Votes are generally cast in favour of proposals that corporations adopt policies that embrace the International Labour Organization’s Conventions, the Ceres Principles on the Environment, and the Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises.

CORPORATE ENGAGEMENT

The CAAT Pension Plan joins with other institutional investors to encourage Canadian regulators and the management of Canadian public corporations to strive for better governance practices and more comprehensive disclosure of ESG risks.

Canadian Coalition for Good Governance

The CAAT Plan has been a member of the Canadian Coalition for Good Governance (CCGG) since 2005. The CCGG was formed to represent the interests of institutional investors in promoting “good governance practices in Canadian public companies and the improvement of the regulatory environment to best align the interests of boards and management with those of their shareholders.” The members of the CCGG include a range of institutional investors, such as pension plans, mutual funds, and other third-party money managers that manage approximately \$3 trillion in assets.

Julie Cays, Chief Investment Officer at the CAAT Plan, is Chair of the CCGG Board of Directors and, as part of that role, participates in engagement meetings with directors of Canadian public corporations throughout the year.

During 2017, the CCGG engaged in advocacy in support of Bill C-25 regarding majority voting and diversity disclosure at Canadian corporations.

Plan employees lead key governance groups

The Plan’s Chief Investment Officer, Julie Cays, is Chair of the Canadian Coalition for Good Governance.

Director, Investments, Kevin Fahey was Chair of the Pension Investment Association of Canada in 2017.

Pension Investment Association of Canada

The CAAT Plan investment team members are active in the Pension Investment Association of Canada (PIAC), whose mission is “to promote sound investment practices and good governance for the benefit of pension plan sponsors and beneficiaries.” PIAC also promotes sound standards of corporate governance in Canada.

Julie Cays and Kevin Fahey, Director, Investments are both past Chairs of the PIAC Board of Directors and several investment team members are active on PIAC committees.

Institutional Limited Partners Association

The Institutional Limited Partners Association (ILPA) is a global industry association composed of limited partner investors in private equity funds. The CAAT Plan is an active member of ILPA and has endorsed the Private Equity Principles of the association. These principles promote the alignment of interest, good governance, and transparency that forms the basis of effective relationships between limited and general partners. The principles urge general partners to disclose “extra-financial risks, including environmental, social and corporate governance risks, at fund and portfolio company levels” in their reporting to limited partners.

CDP

The CAAT Plan is a signatory to the CDP (formerly the Carbon Disclosure Project). The CDP acts on behalf of hundreds of institutional investors in encouraging companies around the world to disclose information on greenhouse gas emissions, water usage, and their strategies for managing climate change and deforestation risks. These disclosures enable investors to evaluate the risks in their portfolios relating to these factors and enable corporations to measure and manage their environmental impacts.

INCORPORATING ESG CONSIDERATIONS INTO THE INVESTMENT PROCESS

As a long-term investor, the CAAT Plan encourages its investment and fund managers to integrate the consideration of ESG factors into their processes. This is done through the due diligence process for existing and potential managers as well as through an annual questionnaire that is sent out to the investment managers and general partners asking a series of questions about how sustainability factors are integrated into their investment processes. The responses to the ESG survey indicate that the Plan's investment managers are increasingly considering the impact of ESG factors when making investment decisions.

Exercising proxy votes in 2017

The Plan's proxy votes are cast in such a way as to encourage corporations to be environmentally and socially responsible, to adopt sound governance practices and to disclose information on ESG factors and risks. In 2017, the Plan voted on over 12,000 proxy issues of companies in the CAAT Plan portfolio.

JOINT GOVERNANCE KEEPS THE PLAN RELEVANT AND SECURE

Members and employers have equal say in Plan decisions.

Through their representatives on the Plan's governing bodies – the Sponsors' Committee and the Board of Trustees – members and employers have an equal say in Plan decisions about benefits, contributions, and funding. This joint governance structure is recognized as a model for success in keeping defined benefit pension plans sustainable.

The governors are appointed by the Plan sponsors: the College Employer Council on behalf of the college boards of governors, the Ontario College Administrative Staff Association (OCASA), and the Ontario Public Service Employees Union (OPSEU).

As fiduciaries, Trustees are legally bound to act in the interests of all Plan members. The Board of Trustees sets the investment strategy and funding risk that are appropriate for the Plan's long-term obligations and establishes policies for administering benefits.

Sponsors' Committee members primarily represent the interests of the groups that appoint them. The Committee's focus is determining how to best balance contribution rates and benefit design.

The Committee also reviews and approves applications from new employers that want to join the Plan.

By design, the composition of the Board of Trustees has individuals with the desired skills to properly oversee the Plan, including:

- financial accounting, budgeting, and planning
- pension plan design, operations, and regulatory frameworks
- investment principles, capital markets, and financial securities
- labour/management relations, negotiations, and contracts
- actuarial principles and concepts
- governance and oversight
- financial and operational risk management, and
- diversity reflective of Plan membership.

Equal representation and voting extends to these subcommittees of the Board of Trustees that make recommendations to the Board in their particular areas of focus:

- **Appeals Subcommittee** – hears member appeals on the interpretation of Plan rules.
- **Audit Committee** – reviews the effectiveness of the organization in controlling and managing operational risk. It ensures the reliability of financial reporting and reviews the annual financial statements. It recommends the appointment of the external auditor and receives the auditor's report. The committee also maintains a protected disclosure policy for Plan employees and governors and has the authority to retain independent counsel to advise or assist in the conduct of an investigation.
- **Finance and Administration Committee** – is concerned with Plan design, funding, administration, legislation, litigation, and the appointment and evaluation of actuarial and legal advisors. This committee also oversees information systems and reviews the operations, project, and capital budgets for the Plan.
- **Governance Committee** – this committee was established in 2017 and held its first meeting on November 27. It assists the Board of Trustees in ensuring effective Board functioning and decision making as well as overseeing management of the CEO & Plan Manager.
- **Investment Committee** – develops and recommends the Statement of Investment Policies and Procedures and related policies such as those concerning responsible investing. It reviews compliance with investment policies and the performance of the Plan's investments. It also recommends the appointment of the custodian and approves the addition of new investment fund managers.

Task Force

In late 2017, the Plan governors established a joint task force to review plan design. The task force is investigating the implementation of an additional plan design that is more applicable to members who work part time and adaptable to the needs of a variety of prospective employers beyond the Ontario college sector. This would facilitate growth and keep the CAAT Plan relevant to part-time employees. The task force will make recommendations to the Sponsors' Committee in 2018.

The Sponsors' Committee has eight members:

four representing employees, three of whom are appointed by OPSEU and one by OCASA, and four representing employers, who are appointed by the College Employer Council on behalf of the college boards of governors.



Kim Macpherson

Co-Chair
OPSEU representative
Benefits Counsellor in the Pensions and Benefits Unit at OPSEU; governor of two other jointly sponsored pension plans



Brian Tamblyn

Co-Chair
CEC representative
Private practice management consultant; retired President of Georgian College; former Vice Chair of the Governing Council of the College Employer Council



Riley Burton

OCASA representative
Director, Teaching & Learning Centre at Confederation College; former member of the OCASA Board of Directors; board member, Thunder Bay Chamber of Commerce



Ross Gascho

CEC representative
Partner at Fasken Martineau; member of the Canadian Bar Association and the Ontario Bar Association Pension & Benefits Section



Steve Hudson

CEC representative
Vice-president, Academic at Niagara College



Patrick Kennedy

OPSEU representative
Professor in the Career and Academic Access Centre at Algonquin College; President of OPSEU Local 415



Anne Sado

CEC representative
President of George Brown College; member of several boards, including Polytechnics Canada, ORION, and the Toronto Region Board of Trade; Member of the Order of Canada



Tom Wilcox

OPSEU representative
Technologist for the York/Sheridan Joint Design program at Sheridan College; member of the executive and past president of OPSEU Local 245

Riley Burton was appointed October 1, 2017.

Tom Wilcox was appointed April 1, 2017.

Marilou Martin served as an OPSEU representative from May 1, 1996 to March 3, 2000 and from June 1, 2010 to her retirement from George Brown College on March 31, 2017. She served as Co-Chair for 2016 and the first quarter of 2017.

Kelly Murray-Scott served as an OCASA representative from July 1, 2015 to September 11, 2017.

POLICY, KNOWLEDGE – FOUNDATIONAL TO GOOD GOVERNANCE

Rigorous policies

In carrying out their responsibilities, Plan governors are guided by numerous policies. The policies are reviewed at least every three years to ensure they remain relevant and up-to-date with the environment in which the Plan operates. During 2017, the governors reviewed and updated or revised 18 of these policies, which are listed below.

Ongoing education

New governors receive an orientation and materials for self-education. During regular meetings and at an annual strategic planning session, all governors receive education sessions delivered by senior Plan staff and other industry experts. Plan governors also attend and report on pension industry conferences throughout the year. During 2017, these educational activities included attendance at conferences about cyber risk, communications, plan design, pension policy, responsible investing, governance, and investment trends. Members of the Investment Committee received presentations on securities lending

and an overview of investing in Canadian farmland, while the Finance and Administration Committee received a presentation on actuarial valuation methodology, insurance, and protecting against fraud.

Membership in the 30% Club Canada reflects commitment to diversity

The Plan's CEO and the Chair and Vice-Chair of the Board of Trustees are members of the 30% Club Canada initiative, a group that advocates for gender diversity on boards and in senior management. The Plan's Chief Investment Officer, Julie Cays, is also a member in her capacity as Chair of the Canadian Coalition for Good Governance. The vision of the 30% Club is to promote gender balance, which can lead to better leadership and governance, with a goal to have 30% of corporate board seats and senior executive roles held by women by 2022.

GOVERNING POLICIES INTRODUCED, UPDATED, OR AMENDED DURING 2017

Board of Trustees Operations Policy

Board of Trustees Policy on Non-Audit Services Performed
by an External Auditor

Board of Trustees Privacy Policy

Board of Trustees Review and Appeals Policy

Board of Trustees Risk Management Policy

Board of Trustees Self-Assessment Policy

Board of Trustees Service Provider Selection and Review Policy

Board of Trustees Succession Planning Policy

Board of Trustees – CEO & Plan Manager Review Policy

Portfolio Implementation Policies and Procedures

Role of Board Officers – Chair and Vice-Chair

Role of the Board of Trustees

Role of the Co-Chairs of the Sponsors' Committee Policy

Sponsors' Committee Operations Policy

Statement of Investment Policies and Procedures

Terms of Reference: Audit Committee

Terms of Reference: Governance Committee (new)

Terms of Reference: Investment Committee

The Board of Trustees has 12 members:

six appointed by employee groups, four of whom are appointed by OPSEU, one by OCASA, and one on a rotating basis by the employee organizations; and six appointed by employers, who are appointed by the College Employer Council on behalf of the college boards of governors.



Scott Blakey

Chair
Employer-appointed Trustee
Chief Administrative Officer at Durham College; former President of the TTC Pension Fund Society



Donald Wright

Vice-Chair
Employee-appointed Trustee
General Accountant at George Brown College and instructor in the college's continuing education program; Treasurer for OPSEU Local 557; member of the OPSEU Resolutions Committee



Darryl Bedford

Employee-appointed Trustee
Professor in the School of Information Technology at Fanshawe College; President of OPSEU Local 110



Rasho Donchev

Employee-appointed Trustee
Scheduling Officer at Centennial College; President of OPSEU Local 559



Harry Gibbs

Employer-appointed Trustee
Former Vice President, Investments, at the Workplace Safety and Insurance Board of Ontario



Bill Kuehnbaum

Employee-appointed Trustee
Retired Professor of Mathematics at Cambrian College; former First-Vice President/Treasurer of OPSEU; board member of SHARE



Karen McRae

Employer-appointed Trustee
Former Senior Vice President, Investments at the Mackenzie Financial Corporation; Trustee for the Anglican Church of Canada Pension Fund



Alnasir Samji

Employer-appointed Trustee
Managing Principal at Alderidge Consulting Inc.; Chair of the Pension Committee on the Torstar Corporation Board of Directors



Don Smith

Employee-appointed Trustee
Faculty member in the School of Business at Georgian College



Beverley Townsend

Employer-appointed Trustee
Health care consultant; Past Chair of ACAATO (predecessor to Colleges Ontario); Honorary Director on The Loyalist College Foundation Board of Governors



Gretchen Van Riesen

Employer-appointed Trustee
Consultant in Pensions and Benefits, member of board of Municipal Employer Pension Plan of Ontario, and Trustee of the Teachers' Pension Plan of Newfoundland and Labrador



Kim Watkins

Employee-appointed Trustee
Chief Financial Officer at Mohawk College; Treasurer of the Mohawk College Foundation

Kim Watkins was appointed October 1, 2017.

Michael Seeger served as an Employee-appointed Trustee from September 23, 2011 to September 22, 2017.

More information about the Plan governors is available on the Plan's website.

FUNDING POLICY GUIDES USE OF RESERVES, CONTRIBUTIONS, AND CONDITIONAL BENEFITS TO KEEP PLAN STRONG

The CAAT Pension Plan Funding Policy defines six levels of Plan financial health and sets guidelines for the Plan governors to use levers of control to keep the Plan strong over the long term to protect promised benefits and manage through periods of volatility. The levers of control are: reserves, stability contributions, and conditional benefits.

Each filed actuarial valuation determines at which level of the Funding Policy the Plan sits, based on its funded status.

The following chart summarizes the options available at each funding level under the policy. At Funding Level 4, where the Plan currently sits, the priority and timing of the options are not pre-determined but rather allow the decisions to reflect the evolving needs of stakeholders, the current pension environment, or emerging risks to the Plan.

Funding Policy at a glance

Funding Policy at a glance

	Level 1	Level 2	Level 3	Level 4 118% funded	Level 5	Level 6
Reserves	Fully used	Fully used	Allocate for up to a 0.5% change in discount rate	Allocate for up to a 1% change in discount rate Current priority: Further allocate reserve to fund conditional inflation protection	Further allocate for up to a 7.5% increase in liabilities	Further build, up to tax limit
Contributions	Basic plus 3% stability plus consider other increases	Basic plus 3% stability	Basic plus 3% stability	Basic plus 1% to 3% stability	Basic plus 0% to 1% stability	Consider reducing basic
Conditional inflation protection	None	Paid	Paid plus catch-up	Paid plus reserves for future	Paid plus reserves for future	Consider ad hoc increases
Future benefits	Consider reduction to benefits earned in the future	Restoration of any temporary reductions				Consider improving benefits

This is a summary of the CAAT Pension Plan Funding Policy.
The full policy is available in the governance section of the CAAT Plan website.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the Colleges of Applied Arts and Technology Pension Plan (the "Plan" or "CAAT Pension Plan") have been prepared by management, which is responsible for the integrity and fairness of the data presented. The accounting policies followed in the preparation of these financial statements are in accordance with Canadian accounting standards for pension plans. Many amounts are based on the best estimates and judgments of management with appropriate consideration as to materiality. The Board of Trustees retained Mercer (Canada) Limited as external actuaries to provide an actuarial valuation of the assets and the going-concern liabilities of the Plan for inclusion in the financial statements. The financial statements have been approved by the Board of Trustees.

CAAT Pension Plan maintains books of account, systems of information and systems of financial and management control which provide reasonable assurance that accurate financial statement information is available, that assets are protected and that resources are managed efficiently. These systems include careful hiring and training of staff, a code of conduct, the establishment of an organizational structure that provides a well-defined division of responsibilities, and the communication of policies and guidelines through the organization.

The Board of Trustees is ultimately responsible for the financial statements of the CAAT Pension Plan. The Board of Trustees oversees financial reporting through its Audit Committee. The committee reviews matters related to accounting, auditing, internal control systems, the financial statements, and reports of the external auditors.

The Plan's external auditors, Deloitte LLP, are directly accountable to the Audit Committee and have full and unrestricted access to the committee. They discuss with the committee their audit and related findings as to the integrity of the Plan's financial reporting and adequacy of internal control systems in the context of their financial statement audit. Deloitte LLP have conducted an independent examination of the financial statements in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they considered necessary to express their opinion on the annual financial statements.



Derek W. Dobson,
CEO and Plan Manager



Kevin Rorwick,
Chief Financial Officer

April 23, 2018

INDEPENDENT AUDITOR'S REPORT

To the Administrator of
the Colleges of Applied Arts and Technology Pension Plan (the "Plan")

We have audited the accompanying financial statements of the Plan which comprise the statement of financial position as at December 31, 2017, and the statements of changes in net assets available for benefits, changes in pension obligations, and changes in surplus for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Plan as at December 31, 2017, and the changes in its net assets available for benefits, changes in its pension obligations, and changes in its surplus for the year then ended in accordance with Canadian accounting standards for pension plans.



Deloitte LLP
Chartered Professional Accountants
Licensed Public Accountants, Toronto, Canada

April 23, 2018

ACTUARIES' OPINION

Mercer (Canada) Limited was retained by the Colleges of Applied Arts and Technology Pension Plan Board of Trustees (the "Board") to perform an actuarial valuation of the assets and the going-concern liabilities of the Colleges of Applied Arts and Technology Pension Plan (the "Plan") as at December 31, 2017, for inclusion in the Plan's financial statements.

The valuation of the Plan's actuarial liabilities was based on:

- Plan provisions in effect as at December 31, 2017;
- membership data provided by the Board as at December 31, 2016;
- methods prescribed by Section 4600 of the Chartered Professional Accountants of Canada Handbook – Accounting for pension plan financial statements; and
- assumptions about future events (for example, returns on assets, inflation levels, future retirement rates) which have been communicated to us as the Board's best estimate of these events.

The objective of the financial statements is to fairly present the financial position of the Plan on December 31, 2017 as a going-concern. This is different from the regulatory valuation (the actuarial valuation required by the *Pension Benefits Act (Ontario)*), which establishes a prudent level for future contributions.

While the actuarial assumptions used to estimate liabilities for the Plan's financial statements represent the Board's best estimate of future events based on market conditions at the end of 2017, and while in our opinion these assumptions are reasonable, the Plan's future experience will inevitably differ, perhaps significantly, from the actuarial assumptions. Any differences between the actuarial assumptions and future experience will emerge as gains or losses in future valuations, and will affect the financial position of the Plan, and the contributions required to fund it, at that time.

We have tested the data for reasonableness and consistency and we believe it to be sufficient and reliable for the purposes of the valuation. We also believe that the methods employed in the valuation are appropriate for the purposes of the valuation, and that the assumptions used in the valuation are in accordance with accepted actuarial practice. Our opinions have been given, and our valuation has been performed, in accordance with accepted actuarial practice in Canada.



Manuel Monteiro, F.C.I.A.



Bill Watson, F.C.I.A.

Mercer (Canada) Limited
Marsh & McLennan Companies

April 23, 2018

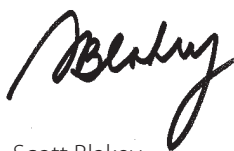
STATEMENT OF FINANCIAL POSITION

December 31

(\$ thousands)	2017	2016
ASSETS		
Investments (Note 3)	\$ 11,230,702	\$ 9,752,901
Investment-related assets (Note 3a)	345,904	333,568
Employer contributions receivable (Note 11)	16,086	17,960
Member contributions receivable (Note 11)	16,156	17,851
Other assets (Note 7)	6,391	5,795
	11,615,239	10,128,075
LIABILITIES		
Investment-related liabilities (Note 3a)	793,127	720,091
Accounts payable and accrued liabilities (Note 8)	35,886	19,757
	829,013	739,848
Net assets available for benefits	\$ 10,786,226	\$ 9,388,227
Pension obligations (Note 9)	9,229,348	8,880,936
Regulatory surplus (Note 10)	2,268,595	1,600,890
Measurement differences between regulatory and accounting deficit (Note 10)	(676,971)	(1,093,599)
Surplus	\$ 1,556,878	\$ 507,291

The accompanying notes to the financial statements are an integral part of this financial statement.

Approved by the Board of Trustees
Colleges of Applied Arts and Technology Pension Plan



Scott Blakey,
Chair



Donald Wright,
Vice-Chair

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year ended December 31

(\$ thousands)	2017	2016
Increase in net assets available for benefits		
Contributions (Note 11)	\$ 444,223	\$ 442,494
Investment income (Note 12)	1,431,403	700,129
Assumption of ROM Pension Plan (Note 18)	-	105,780
	1,875,626	1,248,403
Decrease in net assets available for benefits		
Benefits (Note 13)	456,592	430,594
Investment administration expenditures (Note 14)	6,896	7,201
Pension administration expenditures (Note 14)	14,139	14,682
	477,627	452,477
Net increase in net assets available for benefits	1,397,999	795,926
Net assets available for benefits, beginning of year	9,388,227	8,592,301
Net assets available for benefits, end of year	\$ 10,786,226	\$ 9,388,227

The accompanying notes to the financial statements are an integral part of this financial statement.

STATEMENT OF CHANGES IN PENSION OBLIGATIONS

Year ended December 31

(\$ thousands)	2017	2016
Accrued pension obligations, beginning of year	\$ 8,880,936	\$ 8,368,251
Increase in accrued pension obligations (Notes 9 & 10)		
Interest on accrued benefits	499,857	478,739
Benefits accrued	273,383	249,430
Changes in actuarial assumptions	4,351	109,541
Assumption of ROM Pension Plan (Note 18)	-	101,898
Experience losses	27,413	3,671
	805,004	943,279
Decrease in accrued pension obligations		
Benefits paid (Note 13)	456,592	430,594
Net increase in accrued pension obligations	348,412	512,685
Accrued pension obligations, end of year	\$ 9,229,348	\$ 8,880,936

The accompanying notes to the financial statements are an integral part of this financial statement.

STATEMENT OF CHANGES IN SURPLUS

Year ended December 31

(\$ thousands)	2017	2016
Surplus, beginning of year	\$ 507,291	\$ 224,050
Net increase in net assets available for benefits	1,397,999	795,926
Net increase in accrued pension obligations	(348,412)	(512,685)
Surplus, end of year	\$ 1,556,878	\$ 507,291

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

Notes to Financial Statements

NOTE 1: DESCRIPTION OF THE PLAN

The Colleges of Applied Arts and Technology Pension Plan (the "Plan" or "CAAT Pension Plan") is a multi-employer jointly sponsored pension plan covering employees of the 24 Colleges of Applied Arts and Technology in Ontario, and other employers. The following description of the Plan is a summary only. A complete description of Plan provisions can be found in the Colleges of Applied Arts and Technology Pension Plan Text, the official Plan document.

General

The Plan is a contributory defined benefit pension plan with benefits being financed by contributions from participating employees and employers, and by investment earnings. The Plan has three sponsors: The College Employer Council, acting on behalf of the Boards of Governors of the colleges, the Ontario College Administrative Staff Association ("OCASA"), and the Ontario Public Service Employees Union ("OPSEU") (together, "the Sponsors").

The Plan is registered under the Ontario Pension Benefits Act with the Financial Services Commission of Ontario ("FSCO") and the Canada Revenue Agency (Registration Number 0589895) as a registered pension plan not subject to income taxes.

A separate supplementary plan exists to provide benefits to the Plan's members (other than staff employed by the Plan) who are impacted by benefit restrictions under the Income Tax Act (Canada). Because the supplementary plan is a separate trust, the net assets of the supplementary plan are not included in the financial statements of the Plan. The Plan has no liabilities with respect to insufficient funding (if any) of the supplementary plan.

Funding

Plan benefits are funded by contributions and investment earnings. The Plan's Funding Policy aims to secure the pension promise and achieve long-term stability

in contribution rates for both employers and members. Actuarial funding valuations are conducted to determine pension liabilities and the funded position of the Plan, based on assumptions approved by the Board of Trustees, and contribution and benefit levels approved by the Sponsors' Committee.

Retirement Pensions

A retirement pension is available based on the number of years of credited service, the average of the best 60 consecutive months of pensionable earnings and the age of the member at retirement. A member is eligible for an unreduced pension at the earlier of i) age 65, ii) when the sum of their age plus pensionable service totals at least 85, or iii) at least age 60 with at least 20 years of pensionable service. Members may retire before this date with a reduced pension, subject to eligibility requirements.

Death Benefits

Upon the death of the active or retired member, benefits may be payable to a surviving eligible spouse, eligible children, a designated beneficiary, or the active or retired member's estate.

Portability

Members vest immediately upon joining the Plan and are entitled to a deferred pension if they terminate employment with their employer prior to retirement.

Members not eligible for an immediate pension may opt to transfer the commuted value of their benefit to another pension plan if that plan permits, or to a registered retirement vehicle after two years from the date of their

last contribution, subject to locking-in provisions and certain age restrictions.

Escalation of benefits

Pension benefits in pay on the portion of a pension based on service after 1991 are increased in January each year for inflation at 75% of the increase in the average Consumer Price Index as at September 30th of the prior year, subject to a maximum pension increase of 8% in any one year with any excess carried forward. Inflation adjustments on the portion of a pension based on service after 2007 is conditional on the Plan's funding position.

Funding Policy

The Plan's Funding Policy determines the

use of any funding surplus as determined by the last filed actuarial valuation. In the event of a going-concern funding surplus, the policy provides for the build-up of reserves, and/or specified decreases to contribution rates, and/or inflation adjustments for pre-1992 and post-2007 service pensions. In the event a funding deficit is determined, inflation protection on post-2007 service would not be paid and a decrease in future benefit accruals and/or an increase in contribution rates would be required. An agreement with the Province of Ontario that prescribed in the event of a funding deficit that there would be no increase to contributions beyond current levels and that future benefit accruals would be reduced expired on December 30, 2017.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements present the information of the Plan, as a separate financial reporting entity independent of the Sponsors and Plan members, in Canadian dollars.

These financial statements have been prepared in accordance with Canadian accounting standards for pension plans (Section 4600 – Pension Plans of the Chartered Professional Accountants of Canada (CPA Canada) Handbook – Accounting "Section 4600"). As required under Section 4600, the Plan has valued and made certain disclosures on financial instruments in accordance with International Financial Reporting Standards (see below and Note 6). Accounting standards for private enterprises in Part II of the CPA Canada Handbook – Accounting are used for accounting policies that do not relate to the Plan's investment portfolio or pension obligations, to the extent that those standards do not conflict with the requirements of Section 4600.

Investments

Purchases and sales of investments are recorded as of the trade date and are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of investments is determined as follows:

- Short-term investments are valued at-cost, adjusted for foreign exchange, which in conjunction with accrued interest receivable, approximates fair value.
- Publicly-traded-equity securities are valued at the closing market price. Where a market price is not available, fair value is determined by reference to current market information.
- Fixed income securities are valued using an average of closing bids from market participants.

- Investments in underlying funds are valued using net asset values obtained from fund managers which are determined with reference to the fair value of the underlying investments of the fund.
- Infrastructure and private equity investments are held through ownership in limited partnership arrangements. Fair value is determined by the limited partnership's manager, using the most recent financial information obtained from underlying investments, and/or forecasts of future financial performance and then applying appropriate valuation techniques such as market comparables and/or discounted cash flows. Underlying infrastructure investments are often valued using estimated future cash flows to the investor which are then discounted, reflecting an extended cash flow forecasting period and a higher predictability of cash flows.

- The fair value of real estate investments is determined by the external manager using the most recent financial information obtained from the individual property managers. Valuations are based primarily on the discounted cash flow and income capitalization methods.
- Derivative financial instruments are recorded at fair value using pricing models generally used by market participants. The fair value is provided by established pricing vendors and is determined using valuation models requiring the use of inputs and assumptions based on observable market data including volatility and other applicable rates or prices as well as the impact of counterparty credit risk where applicable.

Investment Income

Realized gains and losses on the sale of investments are determined using the average cost of securities sold. The change in the difference between fair value and the cost of investments at the beginning and end of each year is recorded as change in unrealized appreciation (depreciation) of investments. Interest, dividends, and distributions from pooled funds, are recorded on the accrual basis. Dividend income is accrued as of the ex-dividend date.

Transaction costs are incremental costs directly attributable to the purchase or sale of investments. Transaction costs incurred are expenses and are recorded separately as a deduction from Investment Income.

Foreign Exchange

Transactions denominated in foreign currencies are translated into Canadian dollars at the rates of exchange in effect on the dates of the transactions. The market value of foreign currency denominated assets and liabilities is translated using the year-end rates of exchange. The resulting gains and losses from changes in these rates are recorded as part of the realized gain (loss) for investments sold and as part of the change in unrealized appreciation (depreciation) of investments held at year end.

Contributions

Contributions due to the Plan are recorded on an accrual basis.

Benefits

Payments of pensions, refunds, and transfers out of the Plan are recorded in the period in which they are paid. Any benefit payment accruals not made are reflected in pension obligations.

Pension Obligations

The value of accrued pension benefits payable in the future to members and changes therein during the year are based on an actuarial valuation prepared by an independent firm of actuaries. The valuation is made as at the beginning of the year and then extrapolated to year end. It uses the projected benefit method pro-rated on service and best-estimate assumptions, as at the valuation date, of various economic and non-economic future events.

Use of Estimates

Preparation of the financial statements requires management to make estimates and assumptions based on the information available as at the date of the financial statements that affect the reported values of assets and liabilities, and related income and expenses. Such estimates and assumptions affect primarily the value of recorded pension obligations and the fair value of investments and investment related receivables and liabilities. Actual results could differ from those presented.

Income Taxes

The Plan is exempt from Part 1 tax under paragraph 149(1)(o) of the Income Tax Act (Canada).

Future Accounting Standard – IFRS 9 Financial Instruments

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and shall be applied to annual periods after January 1, 2018. IFRS 9 establishes principles for the financial reporting of financial assets and financial liabilities that will present information to users of financial statements for their assessment of the amounts, timing, and uncertainty of an entity's future cash flows. The Plan does not expect any impact from adopting IFRS 9 on future financial results.

NOTE 3: INVESTMENTS**3(a) – Summary of Investments**

(\$ thousands)	2017		2016	
	Fair Value	Cost	Fair Value	Cost
Investments				
Short-term investments	\$ 987,478	\$ 1,004,254	\$ 1,028,074	\$ 1,025,704
Fixed income (Note 3b)	3,145,304	3,044,497	2,543,155	2,456,003
Equities (Note 3c)	5,047,348	4,095,111	4,451,912	3,825,453
Infrastructure	843,973	602,230	744,966	546,738
Real estate	557,821	325,629	469,055	287,804
Private equity	648,778	443,866	515,738	342,884
Investments	\$ 11,230,702	\$ 9,515,587	\$ 9,752,901	\$ 8,484,586
Investment-related assets				
Accrued income	\$ 19,315	\$ 19,315	\$ 25,246	\$ 25,246
Unsettled trades receivable	35,349	35,351	51,431	51,448
Long-dated sales receivable	218,480	220,283	201,744	200,813
Derivative-related receivables (Note 5)	72,760	5,571	55,147	2,649
Investment-related assets	\$ 345,904	\$ 280,520	\$ 333,568	\$ 280,155
Investment-related liabilities				
Unsettled trades payable	\$ (9,332)	\$ (9,332)	\$ (28,397)	\$ (28,403)
Long-dated purchases payable	(772,623)	(777,558)	(669,744)	(667,890)
Derivative-related liabilities (Note 5)	(11,172)	(2,576)	(21,950)	(7,841)
Investment-related liabilities	\$ (793,127)	\$ (789,466)	\$ (720,091)	\$ (704,134)
Net Investments	\$ 10,783,479	\$ 9,006,641	\$ 9,366,378	\$ 8,060,607

3(b) – Fixed Income

Investments in fixed income include the following issuers:

(\$ thousands)	2017		2016	
	Fair Value	Cost	Fair Value	Cost
Government of Canada	\$ 1,116,424	\$ 1,067,531	\$ 953,577	\$ 903,289
Provincial Governments	1,233,914	1,190,051	946,138	924,689
Municipal Governments	26,278	26,053	10,334	10,522
Corporate	477,803	470,515	329,750	325,541
Foreign	290,885	290,347	303,356	291,962
Total Fixed Income	\$ 3,145,304	\$ 3,044,497	\$ 2,543,155	\$ 2,456,003

Government bonds include those issued or guaranteed by the government.

3(b) cont'd

The maturity of investments in fixed income as at December 31 is as follows:

	2017	2016
(\$ thousands)	Fair Value	Fair Value
1 – 5 years	\$ 380,386	\$ 325,886
6 – 10 years	608,043	434,276
11 – 20 years	870,291	505,571
Greater than 20 years	1,286,584	1,277,422
Total Fixed Income	\$ 3,145,304	\$ 2,543,155

3(c) – Equity Investments

Equities include securities issued and traded in the following geographical regions:

	2017		2016	
(\$ thousands)	Fair Value	%	Fair Value	%
United States	\$ 1,895,524	37.6	\$ 1,533,517	34.4
Other Asia / Pacific	964,132	19.1	782,697	17.6
Europe (excluding United Kingdom)	724,961	14.3	503,015	11.3
Canada	573,250	11.4	766,791	17.2
Japan	429,102	8.5	395,877	8.9
United Kingdom	203,086	4.0	195,425	4.4
Other	162,001	3.2	178,315	4.0
Latin America	95,292	1.9	96,275	2.2
Total Equity	\$ 5,047,348	100.0	\$ 4,451,912	100.0

3(d) – Summary of Significant Investments

At December 31, 2017 the Plan held the following investments each having a fair value or cost exceeding 1% of the fair value or cost of total investments:

(\$ thousands)	Fair Value	Cost
Short-term Investments		
United States Treasury Bills	\$ 532,582	\$ 541,271
Fixed income		
Canada Housing Trust No. 1	124,506	126,603
CIBC Pooled Long-Term Bond Index Fund	614,167	602,116
Government of Canada Bonds	851,726	803,228
Province of Ontario Bonds	444,527	428,886
Province of Quebec Bonds	312,013	291,648
Equities		
Acadian Emerging Market Small-Cap Fund	188,857	140,716
Arrowstreet Global World Alpha Extension Fund	1,007,278	896,577
BlackRock Global Fixed Income Alpha Offshore Fund A1	376,644	383,514
Bridgewater Pure Alpha Fund II	263,999	194,409
GMO Emerging Domestic Opportunities Fund IV	449,655	379,990
ISHARE Core S&P Midcap ETF	185,551	162,809
ISHARE Core S&P 500 ETF	118,508	86,177
SPDR S&P 500 ETF Trust	123,246	82,383
Real estate		
Greystone Real Estate Fund	424,264	207,873

3(e) – Securities Lending

The Plan engages in securities lending to enhance portfolio returns. Credit risk associated with securities lending is mitigated by requiring the borrower to provide daily collateral in the form of cash and readily marketable investments of greater market value than the securities loaned. As at December 31, 2017, the Plan's investments included loaned securities with a fair value of \$1,239,263 thousand (2016 – \$982,135 thousand). The fair value of collateral received in respect of these loans was \$1,288,137 thousand (2016 – \$1,031,736 thousand). Net income earned from securities lending for the year was \$2,929 thousand (2016 – \$3,385 thousand) and is included in Other Income in Note 12.

NOTE 4: CAPITAL AND INVESTMENT RISK MANAGEMENT

The Plan defines its capital as the excess or deficiency of net assets available for benefits over pension obligations. Net assets available for benefits, consisting of investments and other assets, are managed to fund future pension obligations. The extent that net assets available for benefits are greater than or less than pension obligations is reflected respectively as surplus or deficit. The objective of managing the Plan's capital is to ensure that the Plan is fully funded on a going-concern basis to pay the Plan's benefits over the long term.

The primary risks associated with the measurement of pension obligations are changes in the key assumptions used. The investment return assumption reflects estimated future investment returns and is sensitive to long-term interest rates. The salary escalation rate is subject to future wage settlements and inflation. Longevity and retirement assumptions are important as they impact the number of expected pension payments to members. The Board of Trustees monitors the reasonableness

of such assumptions, and adjusts them as required.

The objective of investment risk management is to achieve a diversifying of risks and returns in a fashion that minimizes the likelihood of an overall reduction in total funded ratio and maximizes the opportunity for gains over the entire portfolio. This is achieved through asset diversification to limit exposure to any single issuer or component in the capital markets.

Investment risk management relates to the understanding and active management of risks associated with invested assets. Investments are primarily exposed to currency, interest rate, market, credit, and liquidity risk. The Plan first established a Statement of Investment Policies and Goals (now named Statement of Investment Policies and Procedures - the "Statement") in July 1996 that addresses the manner in which funds can be invested. The Statement requires diversification of investments within asset classes and sets limits on the exposure to individual

investments. Investments are selected and held in accordance with the criteria and limitations set forth within the Statement and in accordance with relevant legislation. The Board of Trustees approves the policies in the Statement and reviews them at least annually. The Statement was last reviewed on November 28, 2017 with no significant revisions being made.

The Statement designates nine broad classes of assets. A set of benchmarks has been identified to measure performance against each class' annual rate of investment return. The total investments annual rate of return is measured against a composite index made up of the weighted average of each class' benchmark return using the actual allocation of assets to weight the various classes. The Plan's relative annual rate of return expectation is to equal or exceed the composite index. Over a long-term period of at least 10 years, the rate of return less inflation is expected to exceed 4.5%. The Plan's assets were allocated within the allowed allocation ranges as at December 31 for 2017 and 2016.

The asset allocation, including the effect of derivatives and the associated benchmark index is as follows:

2017				2016	
Asset Class	Benchmark Index	Allocation Range	Actual Allocation	Allocation Range	Actual Allocation
Liability-hedging assets		29-71%	44.0%	29-71%	43.1%
Nominal long bonds	FTSE TMX Long Bond Index	10-25%	16.0%	10-25%	14.4%
Nominal universe bonds	FTSE TMX Universe Index	3-7%	4.8%	3-7%	4.9%
Real-return bonds	Actual RRB portfolio return	3-7%	5.0%	3-7%	5.6%
Real assets	CPI + 5%	10-25%	13.2%	10-25%	12.9%
Commodities	S&P GSCI	3-7%	5.0%	3-7%	5.3%
Return-enhancing assets		36-82%	55.6%	36-82%	56.5%
Canadian equity	S&P/TSX Composite	3-10%	4.9%	3-10%	8.0%
Global developed equity	MSCI World ex Canada	20-40%	34.5%	20-40%	33.4%
Emerging markets equity	MSCI Emerging Markets Index	8-12%	10.0%	8-12%	9.7%
Private equity	MSCI ACWI + 3%	5-20%	6.2%	5-20%	5.4%
Cash, cash equivalents, and other	Not applicable	Not applicable	0.4%	Not applicable	0.4%
Total investments			100.0%	100.0%	

Currency Risk

Currency risk exposure arises from the Plan's holdings of foreign currency denominated investments where investment values fluctuate due to changes in foreign exchange rates. To manage this risk, the Plan has instituted currency hedging strategies as explained in Note 5. Currency exposures as at December 31 are as follows:

(\$ thousands)	2017			2016
	Gross Exposure	Hedging Impact	Net Exposure	Net Exposure
United States Dollar	\$ 4,071,722	\$ (1,791,493)	\$ 2,280,229	\$ 1,821,151
Other currencies	426,396	(65,138)	361,258	287,374
Japanese Yen	338,855	(220,103)	118,752	132,693
British Pound Sterling	251,457	(132,827)	118,630	70,473
Hong Kong Dollar	120,283	(17,346)	102,937	99,312
Euro	659,261	(558,998)	100,263	107,575
Swiss Franc	71,756	(62,346)	9,410	9,537
Total foreign	5,939,730	(2,848,251)	3,091,479	2,528,115
Canadian Dollar	4,817,792	2,874,208	7,692,000	6,838,263
Net investments	\$ 10,757,522	\$ 25,957	\$ 10,783,479	\$ 9,366,378

A 5% increase/decrease in exchange rate between the Canadian dollar and a foreign currency would result in a corresponding gain/loss of 5% of the net exposure to that currency. A 5% increase/decrease in exchange rate between the Canadian dollar and all foreign currencies as at December 31, 2017 would result in a gain/loss of \$156,311 thousand (2016 – \$126,406 thousand).

Interest Rate Risk

Interest rate risk refers to the potential adverse effect on the fair value of the Plan's assets or liabilities due to fluctuations in interest rates. The values of the Plan's assets, liabilities, and funded status are all affected by changes in both nominal and real interest rates.

Interest rate risk depends mainly on the timing and size of cash flows, and one measure of this risk is duration. Duration relates the impact of changing interest rates on assets and liabilities and is measured by calculating the average timing of cash flows. More distant cash flows (longer duration) are more sensitive to changes in interest rates than cash flows in the shorter term.

As at December 31, 2017, the duration of the fixed income portfolio was 13.6 years (2016 – 13.5 years). If interest rates were to rise by 1%, the fair value of the fixed income portfolio would decline by approximately \$392 million (2016 – \$279 million). Conversely, if interest rates were to fall by 1%, the fair value of the fixed income

portfolio would increase by approximately \$392 million (2016 – \$279 million).

See Note 10 for the impact of interest rate changes to the Plan's regulatory surplus.

Equity Market Risk

Equity market risk is the risk that the value of a public equity asset class performs differently than its benchmark. A 10% change in the value of the benchmark would result in the following percentage change in the value of the public equity asset class as at December 31, based on the historical relationship of performance between the individual stocks in the portfolio and the benchmark:

(\$ thousands)	2017		2016	
	10% Change results in a change of	Gain / Loss	10% Change results in a change of	Gain / Loss
Canadian equity	10.7%	\$ 58,291	10.6%	\$ 80,532
Global developed equity	9.7%	\$ 361,673	9.5%	\$ 297,186
Emerging markets equity	10.2%	\$ 109,491	9.9%	\$ 84,334

Credit Risk

Credit risk refers to the risk of financial loss due to a counterparty failing to meet its contractual obligations. The Plan limits credit risk by investing in the debt of corporations that have a minimum credit rating of BBB or R-1 (short term) as determined by a recognized credit rating agency. Up to 20% of the market value of Fixed Income may be invested in high yield securities with a credit rating below BBB. The credit exposure to any single counterparty is limited to maximum amounts.

In addition, the Plan has credit risk associated with the positive fair values of derivative instruments, where the counterparty owes the Plan. The Plan manages this risk with its Policy on Investments in Derivative Instruments which limits investments in derivative investments to counterparties with a minimum credit rating of A from at least two recognized credit agencies. The Plan also indirectly guarantees the underlying reference obligations when writing credit derivatives. The maximum potential exposure is the notional amount of the written credit derivatives.

The following table presents the maximum exposure at December 31st to credit risk of balance sheet and off-balance sheet financial instruments, before taking account of any collateral held. The table includes financial assets subject to credit risk only; other financial assets, mainly equity securities, as well as non-financial assets are excluded.

(\$ thousands)	2017	2016
Short-term investments	\$ 987,478	\$ 1,028,075
Fixed income	3,145,304	2,543,155
Derivative-related receivables	72,760	55,147
Interest receivable	12,337	13,676
Loaned securities	1,239,263	982,135
Credit default derivatives – written	21,280	27,005
Total maximum exposure	\$ 5,478,422	\$ 4,649,193

The credit quality of the Plan's fixed income portfolio as at December 31st was as follows:

(\$ thousands)	2017	2016
AAA	\$ 1,253,194	\$ 1,059,583
AA	627,773	220,225
A	825,761	920,224
BBB or lower	438,579	343,123
	\$ 3,145,304	\$ 2,543,155

Liquidity Risk

Liquidity risk refers to the risk that the Plan does not have sufficient cash to meet its current liabilities, including benefit payments, and to acquire investments in a timely and cost-effective manner.

The Plan maintains a portfolio of highly marketable assets, specifically Canada and provincial government bonds that can be sold or funded on a secured basis as protection against any unforeseen interruption to cash flow. As at December 31, 2017, the fair value of such bonds held by the Plan was \$2,350,338 thousand (2016 – \$1,899,715 thousand). In addition, the Plan's portfolio of short-term investments of \$987,478 thousand (2016 – \$1,028,075 thousand) primarily represents cash or near cash assets that are available to meet payment obligations.

NOTE 5: DERIVATIVE FINANCIAL INSTRUMENTS

A derivative financial instrument is a financial contract, the value of which is derived from changes in the value of underlying assets, indexes, interest rates, or currency exchange rates. The use of derivatives as a substitute for direct market transactions entails risks similar to the actual purchase and sale of the security upon which the derivative is based. Derivative contracts are transacted either in the over-the-counter ("OTC") market or on regulated exchanges.

Notional amounts of derivative contracts represent the contractual amount to which a rate or price is applied in order to calculate the exchange of cash flows. It does not represent the potential gain, loss, or net exposure associated with the market or credit risk of such transactions. Rather, it serves as the basis upon which the returns from, and the fair value of, the contracts are determined.

The Plan utilizes derivatives in the form of futures, foreign exchange forward contracts, swaps, options, and credit derivatives as part of its investment strategy. The Plan uses derivatives to increase or decrease exposure to a market.

Derivative financial instruments are specifically used for:

- Reducing the cash exposure in the equity manager and operating accounts through the use of futures contracts. This is accomplished by converting cash exposure to capital markets exposure as per the Plan's long-term asset mix policy.
- Rebalancing of the actual asset class positions to the asset mix policy, within tolerance ranges, through the use of futures contracts and delayed settlement instruments. This strategy adjusts the weighting of asset classes using synthetic long and short positions.

- Foreign exchange forward contracts are used for short-term currency purchases or sales related to the execution of foreign currency denominated transactions. Foreign exchange forward contracts are also used for passive currency hedging (50% of non-Canadian equity holdings excluding emerging markets), for active currency strategies that increase or decrease the hedge ratio (within defined limits) in order to generate additional return, and for a 100% hedge on non-Canadian infrastructure and real estate investments.
- Derivative instruments such as interest rate swaps, credit default swaps, options, and futures are used to gain exposure in markets where no physical securities are available or as risk-neutral substitutes for physical securities. Options are utilized to gain exposure to the price volatility of an underlying security or index.

The table below lists the types of derivative financial instruments employed by the Plan, together with the corresponding notional and fair values as at December 31.

(\$ thousands)	2017			2016		
	Notional Value	Fair Value		Notional Value	Fair Value	
		Positive	Negative		Positive	Negative
Equity						
Futures	\$ 1,011,473	\$ 8,358	\$ -	\$ 922,579	\$ -	\$ (2,299)
Fixed income						
Futures	619,076	449	(878)	444,163	1,164	(2,575)
Currency Derivatives						
Forwards	3,239,347	25,955	-	3,325,962	18,905	-
Swaps	1,283	647	(639)	3	647	(645)
Interest Rate Derivatives						
Swaps	924,595	4,140	(4,162)	954,362	5,212	(3,334)
Options	-	-	-	(47,107)	-	(271)
Credit default swaps						
Purchased	160,252	5,731	(94)	65,443	2,158	(68)
Written	21,280	56	(182)	27,005	70	(237)
Commodity						
Futures	532,372	27,424	(5,217)	498,042	26,991	(12,313)
Inflation						
Swaps	-	-	-	7,291	-	(209)
	\$ 6,509,678	\$ 72,760	\$ (11,172)	\$ 6,197,743	\$ 55,147	\$ (21,951)

The term to maturity based on notional value for the derivatives listed in the above table is as follows:

(\$ thousands)	2017	2016
Under 1 year	\$ 5,403,550	\$ 4,472,545
1 to 5 years	1,028,278	1,540,503
Over 5 years	77,850	184,695
	\$ 6,509,678	\$ 6,197,743

NOTE 6: INVESTMENT VALUATION

International Financial Reporting Standards establish a three-tier hierarchy to classify the determination of fair value measurements for disclosure purposes. Inputs refer broadly to the data and assumptions that market participants would use in pricing the investment. Observable inputs are inputs that are based on market data from independent sources. Unobservable inputs are inputs

that reflect the Plan's own assumptions about the assumptions market participants would use in pricing an investment, developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is as follows:

- Level 1 – quoted prices in active markets for identical investments
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the investment, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3 – inputs for the investment that are not based on observable market data (unobservable inputs).

The following is a summary of the fair value classification levels for investment assets and derivative-related receivables and liabilities as at December 31:

2017				
(\$ thousands)	Level 1	Level 2	Level 3	Total
Short-term investments	\$ -	\$ 987,478	\$ -	\$ 987,478
Fixed income	-	3,145,304	-	3,145,304
Equities	3,818,831	1,228,517	-	5,047,348
Infrastructure	-	-	843,973	843,973
Real estate	-	-	557,821	557,821
Private equity	-	-	648,778	648,778
Investment-related assets	90,895	255,010	-	345,905
Investment-related liabilities	(15,426)	(777,701)	-	(793,127)
	\$ 3,894,300	\$ 4,838,608	\$ 2,050,572	\$ 10,783,479

2016				
(\$ thousands)	Level 1	Level 2	Level 3	Total
Short-term investments	\$ 11,518	\$1,016,557	\$ -	\$ 1,028,075
Fixed income	-	2,543,155	-	2,543,155
Equities	3,150,515	1,301,397	-	4,451,912
Infrastructure	-	-	744,966	744,966
Real estate	-	-	469,055	469,055
Private equity	-	-	515,738	515,738
Investment-related assets	104,832	228,736	-	333,568
Investment-related liabilities	(44,145)	(675,946)	-	(720,091)
	\$ 3,222,720	\$ 4,413,899	\$ 1,729,759	\$ 9,366,378

There were no significant transfers of investments between Level 1 and Level 2 during 2017 or 2016.

Below is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value for the year ended December 31:

2017				
(\$ thousands)	Infrastructure	Real estate	Private equity	Total
Opening balance	\$ 744,966	\$ 469,055	\$ 515,738	\$ 1,729,759
Acquisitions	201,374	68,175	182,011	451,560
Dispositions	(204,590)	(30,473)	(177,225)	(412,288)
Realized gains	58,708	123	96,197	155,028
Unrealized gains	43,515	50,941	32,057	126,513
Closing balance	\$ 843,973	\$ 557,821	\$ 648,778	\$ 2,050,572

2016				
(\$ thousands)	Infrastructure	Real estate	Private equity	Total
Opening balance	\$ 599,613	\$ 418,634	\$ 470,817	\$ 1,489,064
Acquisitions	226,669	44,043	114,477	385,189
Dispositions	(140,735)	(18,520)	(154,439)	(313,694)
Realized gains	32,606	970	95,848	129,424
Unrealized gains (losses)	26,813	23,928	(10,965)	39,776
Closing balance	\$ 744,966	\$ 469,055	\$ 515,738	\$ 1,729,759

NOTE 7: OTHER ASSETS

(\$ thousands)	2017			2016
	Cost	Accumulated depreciation & amortization	Net book value	Net book value
Fixed assets				
Systems software	\$ 4,490	\$ 1,819	\$ 2,671	\$ 3,010
Leasehold improvements	234	199	35	55
Computer equipment	682	352	330	201
Furniture, fixtures & equipment	609	335	274	327
	\$ 6,015	\$ 2,705	\$ 3,310	\$ 3,593

Other assets consist of fixed assets with a net book value of \$3,310 thousand (2016 – \$3,593 thousand) and miscellaneous receivables and prepaid expenses in the amount of \$3,081 thousand (2016 – \$2,202 thousand). Fixed assets are stated at cost and are depreciated or amortized on a straight-line basis over their useful lives.

NOTE 8: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities is an accrual of \$9,824 thousand (2016 – \$9,051 thousand) for supplemental employment retirement benefits for staff employed by the Plan based on pension entitlements that are in excess of registered pension plan maximums under the Income Tax Act (Canada).

NOTE 9: PENSION OBLIGATIONS

Pension obligations represent the value of accrued pension benefits payable in the future to members and are based on an actuarial valuation prepared by the Plan's Actuary. The valuation data used is as at the beginning of the year and then extrapolated to year end. It uses the projected benefit method pro-rated on service and management's best estimate of various economic and non-economic future events, as at the valuation date. Pension obligations include the value of conditional inflation adjustments for post-2007 service to January 1, 2021 and exclude further conditional increases thereafter. Pension obligations and the resulting surplus (deficit) for financial statement purposes are different than for regulatory purposes (refer to Note 10). Subsequent to year end, a regulatory valuation was filed as at January 1, 2018. The next regulatory valuation is required to be filed no later than as at January 1, 2021.

Pension obligations as at December 31, 2017 were \$9,229,348 thousand (2016 – \$8,880,936 thousand).

Actuarial Assumptions

The actuarial assumptions used in determining the accounting value of pension obligations reflect management's best estimate of future economic events and non-economic assumptions. The non-economic assumptions include considerations such as mortality as

well as withdrawal and retirement rates.

The primary economic assumptions include the discount rate, salary escalation rate, and inflation rate. The discount rate is based on the long-term estimated net rate of return on investments, reflects the Plan's asset mix and is based on current market expectations. The inflation rate is the mid-point of the Bank of Canada's inflation target range of between 1% and 3%. The salary escalation rate incorporates the inflation rate assumptions and long-term expectation of growth in real wages. A summary of the primary economic assumptions, as at December 31, is as follows:

	2017	2016
Discount rate	5.60%	5.60%
Salary escalation rate	3.75%	3.75%
Inflation rate	2.00%	2.00%
Real discount rate	3.60%	3.60%

Changes in actuarial assumptions between 2016 and 2017 resulted in an increase in the pension obligation of \$4,351 thousand due to a change in the basis used to determine commuted values for members assumed to elect lump sums upon termination (between 2015 and 2016 an increase in the pension obligation of \$109,541 thousand was due to a 10-basis-point decrease in the discount rate).

Experience Losses

Experience losses represent the change in pension obligations due to the difference between actual economic and demographic experience and expected experience. During 2017, experience losses were \$27,413 thousand (2016 – losses of \$3,671 thousand). Experience losses in 2017 and 2016 stemmed from demographic experience losses and the extension of conditional inflation adjustments for post-2007 service, offset in part by lower than assumed salary escalation and inflation.

Plan Provisions

The contribution rate on contributory earnings (as defined by the Plan Text) by both employers and employees is 11.2% up to the Year's Maximum Pensionable Earnings (YMPE) (\$55,900 in 2018 and \$55,300 in 2017) as determined by the federal government to determine Canada Pension Plan contributions and 14.8% of contributory earnings in excess of the YMPE. Members employed by the Royal Ontario Museum and its foundation are contributing at lower contribution rates over a phase-in period to January 1, 2019 as a part of their agreement to join the Plan.

NOTE 10: SURPLUS

The excess of net assets available for benefits against pension obligations results in the Plan being in a surplus of \$1,556,878 thousand as at December 31, 2017 (2016 – \$507,291 thousand). The surplus for financial statement purposes differs from the regulatory surplus. The regulatory surplus, which is calculated in accordance with actuarial standards on a going-concern basis, is used to determine changes to contribution rates and/or benefits for future service in order to maintain the Plan in a regulatory surplus. The Plan is not required to fund solvency deficits. The regulatory surplus of the Plan as at December 31, 2017, which has been filed with FSCO subsequent to year end is \$2,268,595 thousand (2016 – \$1,600,890

thousand). A 25-basis-point decrease in the discount rate assumption at December 31, 2017 would result in a decrease in the regulatory surplus of approximately \$438 million (2016 – \$416 million).

Measurement differences between the regulatory surplus and accounting surplus (deficit) in 2017 of \$676,971 thousand (2016 – \$1,093,599 thousand) are due to the difference in pension obligations between calculations based on the projected benefit method pro-rated on service valuation method used for financial statement purposes (where pension obligations are based on accrued service to the financial statement date), and the modified aggregate valuation method

used for regulatory purposes, where the present value of future contributions and future service benefits are also included. Because the present value of future contributions exceeds the present value of future service benefits, the regulatory surplus is increased. Also included in the difference in 2017 is a \$977,341 thousand deferred gain (2016 – \$457,474 thousand) actuarial asset value adjustment, whereby a portion of the gains resulting from the difference between the actual and management's best estimate of the expected return of those investments over the long term are deferred and recognized over five years in determining the regulatory surplus.

NOTE 11: CONTRIBUTIONS

(\$ thousands)	2017	2016
Members		
Current service	\$ 207,272	\$ 210,603
Past service	5,689	4,748
Employers		
Current service	207,913	211,607
Past service	3,543	3,048
Transfers from other pension plans	19,806	12,488
	\$ 444,223	\$ 442,494

Employers are required to remit both the employer and member portion of contributions to the Plan within five business days of each month end and are charged interest on any contributions submitted late. Multi-employer pension plans such as the CAAT Pension Plan are unable to determine if any contributions remain outstanding as they do not have regular access to underlying employee data. On an annual basis, the Plan reconciles service and earnings reported by employers to contributions received for each member, and adjustments are made for over or underpayments. As at December 31, 2017, \$16,086 thousand of employer contributions receivable and \$16,156 thousand of member contributions receivable (2016 – \$17,960 thousand of employer contributions and \$17,851 thousand of member contributions) were collected in the following year.

NOTE 12: INVESTMENT INCOME

Investment income before the allocation of the net realized and unrealized gains on investments to investment classes, is as follows:

(\$ thousands)	2017	2016
Interest income	\$ 102,474	\$ 88,286
Dividend income	100,491	118,382
Other income	3,585	3,872
	206,550	210,540
Investment gains		
Realized gain	825,623	425,091
Change in unrealized appreciation of investments	490,950	129,930
	1,316,573	555,021
Investment income prior to investment expenses	1,523,123	765,561
Investment management fees	(87,483)	(60,969)
Transaction costs	(4,237)	(4,463)
	\$ 1,431,403	\$ 700,129

Investment income by asset class after the allocation of derivative investments and prior to investment expenses is as follows:

(\$ thousands)	2017	2016
Short-term investments*	\$ 95,159	\$ 216,301
Fixed income	80,129	77,510
Equities	969,920	267,670
Infrastructure	178,962	81,117
Real estate	53,183	25,264
Private equity	145,770	97,699
	\$ 1,523,123	\$ 765,561

* Includes gains on currency forwards and options and commodity futures of \$84,794 thousand (2016 – \$155,387 thousand).

NOTE 13: BENEFITS

(\$ thousands)	2017	2016
Pensions	\$ 422,956	\$ 394,491
Payments on termination of membership	33,636	36,103
	\$ 456,592	\$ 430,594

NOTE 14: ADMINISTRATION EXPENDITURES**Investment Administration Expenditures**

(\$ thousands)	2017	2016
Salaries and benefits	\$ 3,802	\$ 4,004
Custodial fees	1,242	1,316
Other professional services	819	968
Premises and equipment	524	444
Communications and travel	298	254
Board and Sponsors' Committee	99	89
Audit fees	82	105
Actuarial fees	30	21
	\$ 6,896	\$ 7,201

Pension Administration Expenditures

(\$ thousands)	2017	2016
Salaries and benefits	\$ 10,210	\$ 10,901
Premises and equipment	2,473	2,184
Communications and travel	421	414
Custodial fees	412	389
Other professional services	246	330
Actuarial fees	202	297
Board and Sponsors' Committee	93	89
Audit fees	82	79
	\$ 14,139	\$ 14,682

NOTE 15: COMMITMENTS

The Plan has committed to invest in certain private equity, real estate, and infrastructure funds, which may be funded in accordance with agreed-upon conditions over the next several years. As at December 31, 2017, these commitments totalled \$1,118,997 thousand (2016 – \$822,155 thousand).

The Plan leases its office premises under an operating lease agreement that has an expiration date of November 30, 2027. In addition, there are various equipment leases in place with expiry dates between 2017 and 2022. Future lease payments over the remaining life of the leases total \$7,349 thousand, with the following

amounts payable over the next five years: 2018 – \$476 thousand, 2019 – \$473 thousand, 2020 – \$457 thousand, 2021 – \$503 thousand, and 2022 – \$542 thousand.

NOTE 16: RELATED-PARTY TRANSACTIONS

Related parties to the Plan primarily include the Plan sponsors and each of the Plan's participating employers.

The Plan does not have any investments in any securities issued by related parties.

The Plan, in the regular course of its business, reimburses participating employers for the time and expenses their employees spend attending Plan governance and related meetings as well as other services provided in the

regular course of business. The total of such reimbursements to participating employers in 2017 was \$32 thousand (2016 – \$39 thousand).

NOTE 17: GUARANTEES AND INDEMNIFICATIONS

The Plan provides indemnifications to its Trustees, Sponsors' Committee members, and officers for various items including, but not limited to, all costs to settle suits or actions due to services provided by the Plan, subject to certain restrictions. The

Plan maintains Fiduciary and Directors & Officers insurance to mitigate the cost of any potential suits or actions. The contingent nature of the indemnification agreements prevents the Plan from making a reasonable estimate of the

maximum potential payment that the Plan could be required to make. To date, the Plan has not received any claims nor made any payments pursuant to such indemnifications.

NOTE 18: ASSUMPTION OF ROM PENSION PLAN

Effective January 1, 2016 all active members of the Royal Ontario Museum and the Royal Ontario Museum Foundation who were members of the Royal Ontario Museum Pension Plan ("ROM Pension Plan") became members of the CAAT Pension Plan and started making contributions and earning benefits in accordance with CAAT Pension Plan provisions.

After receiving approval from FSCO to complete the transfer, on December 20, 2016, assets of the ROM Pension Plan totalling \$105,780 thousand were transferred to the Plan and became a part of the Plan's investment assets.

As at January 1, 2017, benefit payments to former retired members of the ROM Pension Plan are being made by the

Plan. Pension obligations of \$101,898 thousand as at December 31, 2016 were assumed by the Plan for future benefit payments to former retired members of the ROM Pension Plan, as well as former active members for benefits accrued to December 31, 2015 and are included in the Plan's Pension Obligations.

NOTE 19 – RECLASSIFICATION OF PRIOR YEAR PRESENTATION

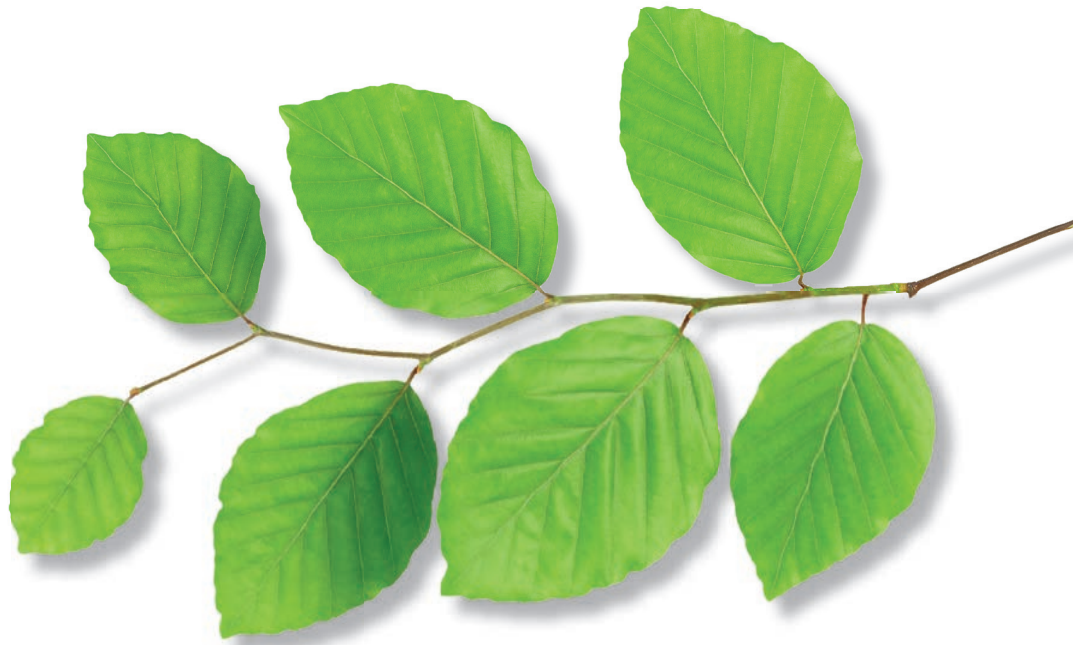
Certain prior year amounts have been reclassified for consistency with the current year presentation.

TEN-YEAR REVIEW (Unaudited)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
FINANCIAL (\$ millions)										
Short-term investments	987	1,028	808	714	709	562	288	501	249	174
Fixed income	3,145	2,543	2,459	2,260	1,940	1,793	2,058	1,940	2,007	1,768
Equities	5,047	4,452	4,267	4,052	3,838	3,290	2,750	2,635	2,309	2,214
Infrastructure	844	745	600	400	297	237	217	162	146	130
Real estate	558	469	419	407	379	339	301	241	138	39
Private equity	649	516	471	311	183	119	47	29	13	-
Derivatives (net)	62	33	(181)	(42)	2	-	20	19	22	(18)
Total investments	11,292	9,786	8,843	8,102	7,348	6,340	5,681	5,527	4,884	4,307
Other assets (liabilities) (net)	(506)	(398)	(251)	(137)	(221)	(80)	(54)	(75)	(39)	(74)
Net assets available for benefits	10,786	9,388	8,592	7,965	7,127	6,260	5,627	5,452	4,845	4,233
Contributions	444	443	432	417	368	355	312	296	262	227
Investment income (loss)	1,432	700	621	808	860	624	178	607	629	(1,183)
Asset transfer from ROM	-	106	-	-	-	-	-	-	-	-
Benefit payments	(457)	(431)	(406)	(369)	(344)	(332)	(302)	(284)	(267)	(248)
Administrative expenses	(21)	(22)	(20)	(18)	(18)	(14)	(13)	(13)	(12)	(14)
Net change in net assets available for benefits	1,398	796	627	838	866	633	175	606	612	(1,218)
RETURNS										
Annual return, gross of fees	16.8%	8.8%	9.0%	12.3%	14.5%	11.8%	4.1%	13.3%	15.2%	(21.4)%
Annual return, net of fees	15.8%	8.0%	8.1%	11.5%	13.9%	11.3%	3.4%	12.6%	14.7%	(21.7)%
MEMBERSHIP										
Active members	29,400	28,400	26,500	24,700	22,000	21,400	20,500	19,600	19,500	18,800
Deferred members	1,400	1,400	1,400	1,800	1,700	1,300	1,100	1,100	1,100	1,100
Retired members	15,500	14,900	14,000	13,500	13,100	12,600	12,100	11,700	11,200	10,800
Total members	46,300	44,700	41,900	40,000	36,800	35,300	33,700	32,400	31,800	30,700
GOING-CONCERN FUNDING STATUS as at December 31										
Funded status	118.1%	113.3%	110.4%	107.2%	105.1%	103.6%	101.7%	101.0%	95.7%*	96.7%*
Funding reserves (deficit)	\$ 2,269	\$ 1,601	\$ 1,179	\$ 773	\$ 525	\$ 347	\$ 154	\$ 88	(\$358)	(\$256)
Discount rate	5.60%	5.60%	5.70%	5.80%	5.80%	5.80%	5.90%	6.00%	5.85%	5.25%

Numbers are rounded.

*Valuations not filed.



For more than 50 years, the Colleges of Applied Arts and Technology (CAAT) Pension Plan has been delivering secure lifetime pensions to employees of the Ontario college system. The Plan assumed its current jointly sponsored governance structure in 1995 and, more recently, has been growing its number of participating employers both related to and beyond the college sector. The Plan is a defined benefit pension plan with equal cost sharing. Decisions about benefits, contributions, and risk are also shared equally by members and employers through their representatives on the Plan's two governing bodies. The Plan is sponsored by the College Employer Council, on behalf of the college boards of governors, OCASA (Ontario College Administrative Staff Association), and by OPSEU (Ontario Public Service Employees Union).

As at January 1, 2018, the Plan is 118% funded on a going-concern basis with \$10.8 billion in net assets available for the benefits of 46,300 members, and has 41 participating employers.

The mission of the CAAT Pension Plan is to improve the financial security of members in retirement, with meaningful and secure benefits supported by stable and appropriate contribution rates.

CORPORATE DIRECTORY

Officers

Derek W. Dobson
CEO and Plan Manager

Julie C. Cays
Chief Investment Officer

Kevin Rorwick
Chief Financial Officer

Directors

Alan Elliott
Director, Project Management

Kevin Fahey
Director, Investments

Angela Goodchild
Vice President, Service Delivery

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comments and suggestions
on this annual report.

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Report Number: BOG-2018-38

To: Board of Governors

From: Don Lovisa

Date of Report: April 26, 2018

Date of Meeting: May 9, 2018

Subject: Government Relations & 2018 Provincial Election Update

1. Purpose

The purpose of this report is to provide a summary of the government relations activities since January 2018. This report also provides an update on the 2018 provincial election.

2. Recommendation

It is recommended to the Durham College Board of Governors:

That Report BOG-2018-38, providing an update on government relations activities and the 2018 provincial election, be received for information.

3. Background

Part I of this report summarizes the government relations activities at the College. This report describes ongoing communications with government officials and ministries, and the projects impacted by these communications.

Part II of this report provides an update on the 2018 provincial election, including local candidates and recent polling information.

4. Discussion/Options

PART I

Investing in Learning Spaces – Financial Barriers to Expanding DC's Campuses

- This key advocacy priority is raising government awareness of DC's financial barriers, spatial constraints, and requesting financial support toward DC's capital projects.
- We have educated politicians and government officials on our status as guarantor for UOIT's debenture, and discussed outstanding mortgages incurred to build residences to accommodate UOIT students.
- Presentations were made to Ministers Sousa, Del Duca, and MacCharles, as well as to MPP's Anderson, Dickson, McMeekin, Nichols, and French. Meetings also took place with the Premier's office, DM Orenscak, and ADM Shields.
- We continue to follow up with staff from each ministry and constituency offices. The matter has been referred to the finance department in MAESD.

The Advanced Manufacturing Supercluster

- Durham College is a partner the Advanced Manufacturing Supercluster, an initiative that received \$230M out of the federal government's investment of \$950M to fund five supercluster initiatives through Canada's innovation and skills plan.
- ORSIE is actively pursuing a partnership with a private company to access these funds when the next RFP is released.

Town Hall with the Hon. Steven Del Duca, Minister of Economic Development and Growth

- DC Hosted the Hon. Steven Del Duca, Minister of Economic Development and Growth for a Town Hall with students. The Minister discussed several aspects of public policy, specifically the economy and the workforce, and answered many student questions.
- This successful event also provided DC with an opportunity to meet with Minister Del Duca, and discuss College sector and DC specific priorities, including ongoing advocacy projects.

Skills Catalyst Fund

- The Ministry of Advanced Education and Skills Development (MAESD) is running a three-year \$9M Skills Catalyst Fund, allocated at \$3M per fiscal year starting in 2017-18 and ending in 2019-20.
- DC submitted an application in collaboration with GrowWise Health, Ample Organics and Cannabis at Work to develop a new distance learning Cannabis Industry Specialization Program, building on the success of our existing Cannabis Fundamentals for Business and Medical Professionals course.
- DC was not a successful applicant and has requested feedback from MAESD.

Bill 148

- The *Fair Workplaces, Better Jobs Act, 2017*, Bill 148 amends the *Employment Standards Act, 2000*, the *Labour Relations Act, 1995*, and the *Occupational Health and Safety Act*. Some key points of change include:
 - The wage increase will adjust the minimum hourly rates from \$11.60 to \$14.00 an hour in 2018, and \$15.00 in 2019
- DC president co-chaired the sector advisory committee, which resulted in the government committing additional funding in the provincial budget.

Bill 193: Rowan's Law (Concussion Safety Act)

- Passed on March 6th, 2018. The legislation imposes requirements on athletic organizations to review concussion policies and procedures to improve awareness on how concussions are treated before and after they occur.
- DC's athletics department works with the Ontario Colleges Athletic Association, and continues to meet updated provincial safety standards.

Bill 8 (previously Bill 199)

- The *Access to Consumer Credit Reports and Elevator Availability Act* - amends the *Consumer Reporting Act* and the *Technical Standards and Safety Act, 2000*. Bill 8 implements new operating and safety standards for Elevating devices.
- DC is one of only two elevating mechanic training delivery agents in the province.
- DC made a presentation to the Standing Committee on General Government, regarding this Bill, specific to the need to ensure an adequate labour supply to achieve the new standards.






Route 93

- Faculty advised the President's Office that a bus route 93 was ending its seasonal route from Scarborough Town Centre to DC a week prior to the ending of classes.
- This issue was resolved with the route being extended for another week until the end of classes after successful discussions with local MPP's, and representatives from Durham Region Transit and Metrolinx.

PART II

Provincial Election 2018 Update

Summary of the standings of the Legislative Assembly of Ontario

Party	Party leader	Seats	
		2014	Current
 Liberal	Kathleen Wynne	58	55
 Progressive Conservative	Doug Ford	28	27
 New Democratic	Andrea Horwath	21	18
 Trillium	Bob Yaciuk	0	1
 Independent		0	2
Vacant			4
Total		107	107

NOTE: 124 MPPs will be elected in 2018 — up from 107. The new federal riding boundaries in southern Ontario have been adopted while retaining the same northern constituencies. For any one party to achieve a majority government they must have 63 seats.

Leadership Approval Ratings & Voter Profile (Ipsos February 17, 2018)

Kathleen Wynne (LIB)
16%

Doug Ford (PC)
22%

Andrea Horwath (NDP)
30%

Liberal Voter Profile: 34-year-olds and younger, 45 to 54-year-olds, seniors, least wealthy or educated, Torontonians.

PC Voter Profile: 35 to 44-year-olds, 55 to 64-year-olds, seniors, men, least educated, those earning \$60,000-\$80,000 a year, southwestern Ontario residents.

NDP Voter Profile: 34-year-olds and younger, women, Northwestern Ontario residents, those earning \$80,000-\$100,000 a year.

Polls

	Liberal	PC	NDP
Average of polls released	25.96	43.22	23.54

The average shown above is merely an aggregation of all polls released within a **two-month period** on or before *April 18, 2018*. It displays a consensus among the Ontario population samples.

Polling organization	Last date of polling	Liberal	PC	NDP	Sample Size
Forum Research	April 18, 2018	21	46	27	1126
Innovative Research	April 9, 2018	29.9	42.5	20.7	600
Ipsos	April 9, 2018	27	40	28	800
Abacus Data	April 8, 2018	28	40	24	4,177
EKOS	April 5, 2018	29.3	43	20.7	1,067
Mainstreet Research	April 4, 2018	23.9	50.3	18.3	1,969
Forum Research	March 29, 2018	29	36	26	728
Mainstreet Research	March 18, 2018	26.2	47	18.6	2,003
Campaign Research	March 14, 2018	27	43	23	1,637
Leger	March 14, 2018	26	42	24	1,008
Ipsos	March 14, 2018	32	39	25	803
Forum Research	March 11, 2018	23	44	27	923

Local Candidates

District <i>*New or revised ridings.</i>	Candidates Durham Region			Incumbent
	Liberal	PC	NDP	
<u>Ajax</u>	<u>Joe Dickson</u>	<u>Rod Phillips</u>		Joe Dickson <i>Ajax—Pickering</i>
<u>Durham</u>	<u>Granville Anderson</u>	Lindsey Park	Joel Usher	Granville Anderson
<u>Oshawa</u>	Makini Smith	Bob Chapman	Jennifer French	Jennifer French
<u>Pickering—Uxbridge</u>	Ibrahim Daniyal	Peter Bethlenfalvy		Tracy MacCharles <i>Pickering—Scarborough East (Not running)</i>
<u>Whitby</u>	Leisa Washington	<u>Lorne Coe</u>	Niki Lundquist	Lorne Coe <i>Whitby—Oshawa</i>

Relevant Platforms

Liberal	PC	NDP
<p>From the 2018 Ontario Budget:</p> <ul style="list-style-type: none"> An increased investment of \$500 million in capital improvements at colleges and universities. Funding will grow from \$10 million in 2020-21 to more than \$60 million by 2022-23. An increase in deferred maintenance to \$162 million by 2022. Investment of \$411 million for curriculum and equipment An increase in the funding for college 	<p>PC's 5 Priorities*:</p> <ul style="list-style-type: none"> Remove current CEO, and Board of Hydro-One. Eliminate income tax on minimum wage. 	<p>Post-secondary Education</p> <ul style="list-style-type: none"> End the financial chokehold on colleges and universities by lifting the budget freeze and “make sure funding keeps up, so PSE institutions can offer the choices and quality of instruction Ontario students deserve”. Every student who qualifies for OSAP will get a non-repayable grant instead of a loan. Forgive any student loan interest owed or paid to the province by a student

<p>equipment and renewal to \$20 million a year over the next three years from the current level of \$8 million per year.</p> <ul style="list-style-type: none"> • An investment of \$170 million over three years to modernize apprenticeship training. • An investment of about \$40 million per year over three years to develop post-secondary education programs that respond to the changing needs of students and employers. • Affirmation of the \$2.1 billion investment in a 'whole of community' approach to mental health services that will improve the support available to students. 		<p>or past student who still holds a provincial student loan.</p> <ul style="list-style-type: none"> • New faculty renewal strategy will convert contractors to full-time professors. • Invest in more tenure track faculty positions. • Open the Franco-Ontarian university. • Foster 27,000 new work-integrated-learning opportunities (co-op / paid internship). • Double Ontario's Career Kick-Start program.
Green Party		
<p>Post-secondary Education</p> <ul style="list-style-type: none"> • Properly fund higher education with public subsidies, eventually guaranteeing fully public tuition for all Ontario residents attending public colleges, trade institutions, and universities (not including graduate and post -graduate studies), and index the base operating grant provided to post secondary institutions to the weighted national average, followed by inflationary increases year-to-year. • Continue to regulate tuition fees by indexing any increases to Ontario's Consumer Price Index (CPI). In addition, freeze tuition within each cohort. This way the tuition rate of a student entering in his/her first year of a 3 or 4 year undergraduate program would remain frozen for the following 2 or 3 years. • Work towards a standard contract minimum of 3 courses per semester for adjunct/casual/contract professors to avoid precarity of employment in colleges and universities. 		

- Provide supports for racialized groups, LGBTQ+ and those with disabilities in colleges and universities.
- Increase access to gender and culturally -sensitive mental health services and supports that are timely, effective and flexible, and provided in a safe and comfortable environment.
- Increased funding and resources for food security programs available for postsecondary institutions to supplement mental health and poverty reduction efforts. J Provide interest -free student loans for students with financial needs.

Apprenticeship

- **Modernize the apprenticeship application process by leveraging the Ontario College Application Service to provide candidates with an electronic, single-entry access to the apprenticeship application and registration process.**
- Provide an option for employers to receive up -front subsidies when hiring co -op students as an alternative to the Co-operative Education Tax Credits.
- Expand and invest in apprenticeship and training programs, including incentives for businesses to participate in apprenticeship, mentoring and co -op programs.
- Reduce the ratio of journey people to apprentices to one to one in order to open more jobs and training opportunities for our youth and workers seeking new career options.

***PC's are releasing priorities over time; at the submission of this report, not all priorities have been announced. Nothing yet on post-secondary.**

5. Financial/Human Resource Implications

There are no financial or human resource implications at this phase of the Business Plan update.

6. Implications for the Joint Campus Master Plan

There are no implications for the joint campus master plan.

7. Implications for UOIT

Ongoing discussion of the guarantor/debenture issue. Materials shared with political offices and officials have been shared with UOIT leadership.

8. Relationship to the Strategic Plan/Business Plan

This government relations and election update supports the 2017-2020 Strategic Plan including the Mission, Vision and Values outlined in the Strategic Plan. Further, this Business plan supports the four pillars of the strategic plan, specifically:

1. **Our Students** - To provide students with the best possible learning experience.
2. **Our People** - To optimize the experience and expertise of our people and help them make the best possible contribution toward the student experience.
3. **Our Business** - To manage resources responsibly and ensure that we are financially and environmentally sustainable, demonstrate good governance, and are leaders in the support of outstanding teaching and learning.
4. **Our Community** - To contribute and respond to the economic, social and environmental well-being of our community.

Report Number: BOG-2018-13

To: Board of Governors

From: Dr. Elaine Popp, vice-president, Academic

Date of Report: April 25, 2018

Date of Meeting: May 9, 2018

**Subject: Approval of a New Program of Instruction: Artificial Intelligence
Analysis, Design and Implementation**

1. Purpose

To seek approval from the Board of Governors for the following postsecondary program of instruction for the September 2019 intake:

1. Artificial Intelligence Analysis, Design and Implementation
 - Credential: Ontario College Graduate Certificate
 - Duration: Two Semesters (optional work term in semester three)
 - School: Business, IT & Management

2. Recommendation

It is recommended to the Durham College Board of Governors:

That in accordance with Report BOG-2018-13, the proposed Ontario College Graduate Certificate program of instruction listed below be approved.

- Artificial Intelligence Analysis, Design and Implementation

3. Background

Durham College's Office of Research Services, Innovation and Entrepreneurship (ORSIE) continues to expand its efforts in identified priority areas of applied research, including investment and project activity focused on developing artificial intelligence (AI) solutions. Recognizing the growing need for knowledge and specialized skills required in this domain, Durham College was recently awarded applied research funding through the Colleges' Applied Research and Development Fund (CARDf) toward the development of a new AI research hub for business systems. The hub will leverage AI techniques to deliver innovative

new systems that offer creative solutions to increase companies' productivity and growth and benefit users. With the development and imminent launch of the AI Hub, the idea of a new graduate certificate that will teach students to develop and deploy AI solutions was struck. The Artificial Intelligence Analysis, Design and Implementation graduate certificate program will train students to become valuable members of AI solutions teams under the supervision and tutelage of senior and experienced AI practitioners.

This new graduate certificate program aligns to several objectives identified in the college's 2017-2020 Strategic Plan, including:

- Deliver high-quality programs to help students develop a wide range of career-ready skills;
- Develop new programs and services to meet the evolving demands of the job market and our students;
- Expand flexible, experiential and global learning opportunities; and
- Expand our reputation among the local and global community.

In addition, this new program aligns to several objectives and strategy considerations identified in the college's 2017-2020 Academic Plan, including:

- Introduce new programs to meet evolving student, societal, and workforce needs;
- Provide career-focused learning; and
- Increase the breadth and number of experiential and work-integrated-learning opportunities.

This graduate certificate program also aligns with Durham College's 2017-2020 Strategic Mandate Agreement (SMA) in several areas:

- The SMA describes the college's commitment to experiential and work-integrated learning. This program includes two capstone courses and an optional work term at the end of the program;
- The SMA highlights Durham College's commitment to applied research under the heading Applied Research Excellence and Impact. This program will both benefit greatly from and contribute greatly to the new Hub for Research in Artificial Intelligence for Business Systems (AI Hub); and
- This program aligns with the SMA in recognition of Durham College's contribution to innovation, economic development and community engagement and the college's research strategy to expand its investment and project activity, which are focused on developing AI solutions for businesses. Durham College's commitment to working with industry and employers to meet the needs of the labour market is also addressed since the curriculum for this program was developed in collaboration with industry partners.

As per the Minister's Binding Policy Directive 3.0 Programs, Framework for Programs of Instruction, a board of governors is responsible for approving the programs of instruction a college will offer.

It is the role of the Durham College Board of Governors to ensure that programs of instruction are developed and implemented consistent with provincial standards where they exist, ensuring that all new and modified postsecondary programs of instruction lead to one of the following credentials – Durham College Certificate, Ontario College Certificate, Ontario College Diploma, Ontario College Advanced Diploma, Ontario College Graduate Certificate or Bachelor Degree.

The Board will request validation that the programs of instruction conform to the Credentials Framework and are consistent with accepted college system principles. Furthermore, that such credentials are awarded to students upon successful completion of their respective programs of instruction.

We confirm that Durham College is in compliance with all Minister's Binding Policy Directives noted above, for programs of instruction.

4. Discussion/Options

The proposed new graduate certificate entitled, Artificial Intelligence Analysis, Design and Implementation focuses on preparing students with generalist skills and knowledge of how to develop and deploy AI enterprise solutions for small and medium sized organizations. Demand for, and access to, skilled practitioners remains the single most significant challenge for AI adoption by industry. To address the AI skills shortage this program focuses specifically on the implementation challenges that businesses face in adopting AI, primarily:

- How to structure a project team when resources are scarce;
- How to identify and understand potential opportunities where AI could create value within the firm;
- How to identify unique risk and project management concerns that AI projects face; and
- How to apply the techniques for developing, implementing, and executing digital transformation projects that incorporate AI in new or existing processes, products and services.

Graduates of this program will have the breadth of skills required to operate at entry and intermediate roles on an AI project team; they will further develop domain and/or technical specialization in the field as their career progresses.

A proposal for the Artificial Intelligence Analysis, Design and Implementation

Graduate Certificate program was developed and submitted to the Credentials Validation Services (CVS) on April 23, 2018. The proposal is still under review and we anticipate final validation of this credential in the coming days.

5. Financial/Human Resource Implications

In the first year of delivery, the program will require one new full-time faculty member and three contract faculty members. In addition, there is an anticipated cost of \$42,000 to develop the course curriculum (\$3,500 per course).

6. Implications for the Joint Campus Master Plan

There are no implications for the joint campus master plan.

7. Implications for UOIT

There are no implications for UOIT.

8. Relationship to the Strategic Plan/Business Plan

As identified in the 2017-2020 Strategic Plan, under Goal 1, Our Students, this new program demonstrates how Durham College endeavours to develop and deliver high-quality programs to help students develop a wide range of career-ready skills. This new graduate certificate in Artificial Intelligence also relates to Goal 3, Our Business, in that the college aims to offer programs that modernize and grows the organization.

Objective 2 of the 2017-2018 Business Plan supports developing and launching market-driven programs. The new Artificial Intelligence Graduate Certificate program will confer graduates who can fill an identified skills gap in this field. This program is expected to be the first of its kind in the Ontario college system and will serve to set Durham College apart as a leader in delivering market-driven programs.

General Program Information

Proposed Program Title: Artificial Intelligence Analysis, Design and Implementation

Proposed Credential: Durham College Graduate Certificate

Name of Dean Submitting Request: Marianne Marando, Executive Dean, School of Business, IT & Management

Proposed Date of Implementation: September 2019

Date of Review by Program Proposal Review Committee: April 11, 2018

Enrolment: 25 Students

Total Program Hours: 588 hours plus an additional optional 420-hour work term in semester three for eligible students

Number of New Full-Time Faculty: One new full-time faculty and three contract faculty will be hired to deliver the courses

Space Requirements: No new space requirements for this program.

Capital Costs: There are no capital costs.

Proposed Tuition: \$3,115.00 plus additional fee for students who are eligible for the work term in semester three

1. Approval Stages

The following approval stages have been assessed for this program:

- Labour Market
- Student Demand
- New Program Proposal Document reviewed by the Manger, Program Development and Quality Assurance and Executive Dean
- Budget reviewed and approved by the Chief Financial Officer and the Vice President, Academic
- Reviewed by Program Proposal Review Committee – April 11, 2018
- Approved by vice-president, Academic
- Reviewed and approved by President

2. Program Overview

2.1 Program Description

Demand for, and access to, skilled practitioners remains the single most significant challenge for the adoption of artificial intelligence (AI) by industry. To address the AI skills shortage this program focuses specifically on the implementation challenges that businesses face in adopting AI. Students in this program will learn how to identify potential opportunities where AI could create value within the firm; will understand the unique risk and project management concerns that AI projects face; and will learn the techniques for developing, implementing, and executing digital transformation projects that incorporate AI in new or existing processes, products and services.

2.2 Career Outcomes

Demand for program graduates is expected to be high. There is an acute shortage of trained, entry-level analysts, designers and system programmers who can implement the designs and plans developed by experienced practitioners. Graduates of this program will have the breadth of skills required to operate at entry and intermediate roles on an AI project team. The program focuses on generalist skills, allowing the further development of domain or technical specialisation as the graduate's career progresses.

Graduates may find employment in many industries and occupational areas including, consulting and business transformation, technology implementation and information technology services, marketing and/or general business management.

Possible titles for entry-level positions include Data Scientist (Jr or entry level), Artificial Intelligence Scientist, Artificial Intelligence Analyst, Artificial Intelligence Technologist, Machine Learning Analyst, Machine Learning Technologist, Business Transformation Consultant, Business Analyst, Data Stewart, Data Engineer and AI System Developer.

2.3 Vocational Program Learning Outcomes

Vocational program learning outcomes must be consistent with the requirements of the Credentials Framework for the proposed credential. The graduate of the Artificial Intelligence Analysis, Design and Implementation Graduate Certificate has reliably demonstrated the ability to:

1. Analyse, design, and implement artificial intelligence systems through the application of systematic approaches and methodologies to meet organizational needs.
2. Develop artificial intelligence models and agents that use enterprise data to identify patterns, provide insights, recommend actions or perform tasks autonomously on behalf of stakeholders.
3. Prepare and communicate analysis, reports, and recommendations, in a variety of formats, for various audiences, stakeholders and purposes.
4. Conduct research, data analysis, model development, and solution deployment in an ethical manner that protects privacy, confidentiality, addresses data bias and transparency, and ensures data integrity.
5. Apply project management tools and lifecycle management strategies to implement artificial intelligence systems on time and budget.
6. Implement artificial intelligence solutions in compliance with corporate policies, ethical standards, and industry regulations.

2.4 Admission Requirements

- Ontario College Diploma, Ontario College Advanced Diploma or a degree, or equivalent.
- OR
- An acceptable combination of related work experience and post-secondary education.

A comfort in mathematics, statistics, computer software, and enterprise systems is recommended.

3 Program of Study

3.1 Introduction to Artificial Intelligence Development – Semester 1

Students will understand the foundations of artificial intelligence (AI) development and the tools used to create AI systems. Students will evaluate a variety of AI tools including Python, Jupyter Notebook, Anaconda, NumPy, Pandas, Tensorflow and Keras. 56 hours

3.2 Applied Mathematics for Artificial Intelligence Systems – Semester 1

Working within systems such as, Jupyter Notebooks (Python) and using NumPy, Pandas and Matplotlib, students will understand and apply skills in the mathematics of artificial intelligence including statistics, linear and matrix algebra, and derivatives. 42 hours

3.3 Studies in Artificial Intelligence – Semester 1

Students will discuss the history of artificial intelligence (AI), and evaluate its implications for modern enterprise software, commercial applications using AI, and how businesses adopt AI. 42 hours

3.4 Careers and the Digital Portfolio – Semester 1

Students will develop a personal career plan and will create and maintain a professional portfolio and an online presence supporting the launch of their career. 42 hours

3.5 Artificial Intelligence Algorithms – Semester 1

Students will evaluate basic artificial intelligence (AI) algorithms and programming techniques and will apply them to a number of scenarios including search, path finding, A-Star, and optimisation. 56 hours

3.6 Capstone Term I – Game Playing Agents – Semester 1

Students will use games as the foundational teaching tool to learn and practice artificial intelligence (AI) agent development. Students will create a series of agents that can play basic strategy games starting with tic-tac-toe, advancing to a Sudoku solving agent and

concluding with a competitive strategy game such as Ms. Pac Man. 56 hours

3.7 Applied Machine Learning and Advanced Artificial Intelligence Systems – Semester 2

The course builds on the concepts covered in Artificial Intelligence Algorithms I. Students will evaluate how machine learning (ML) and related systems work, how ML is used in business systems, and business process implementations. 56 hours

3.8 Knowledge and Expert Systems – Semester 2

Students will evaluate how data, knowledge, and expertise are captured in systems and used within enterprise software. 42 hours

3.9 Visualisation and Data Storytelling – Semester 2

Students will demonstrate effective communication skills using digital and print outputs including Augmented Reality (AR) via Microsoft Hololens / Windows AR and Apple AR Kits. Students will assess strategies for organizing presentations and other methods of communicating complex information and findings in a simple, understandable way. 42 hours

3.10 Consulting and Professional Communications – Semester 2

Students will understand the fundamentals of proposal writing and the RFP process. Students will create effective consulting reports and other forms of professional communication. 42 hours

3.11 Artificial Intelligence in Enterprise Systems – Semester 2

This course will examine how artificial intelligence (AI) is embedded in enterprise solutions and how to utilise AI effectively within the enterprise. Students will evaluate enterprise systems such as, Salesforce (Einstein), SAP (Leonardo) and Office365 (Cortana). 56 hours

3.12 Capstone Term II – Semester 2

Students will synthesize previously taught concepts to assess an artificial intelligence (AI) implementation on a commercial platform such as IBM Watson (NLP) or Amazon Echo (speech and agent behaviour). 56 hours

3.13 Optional Work Term – Semester 3

Students meeting all academic requirements may have the opportunity to complete an optional work term in a formal work environment or in an entrepreneurial endeavour. The work term is similar in length to an academic semester and typically involves full-time work hours that may be paid or unpaid. Eligibility for participation does not guarantee a work position will be secured. Additional fees are required for those participating in the optional work term stream. 420 hours

4. Strategic Alignment

4.1 Strategic Fit

This new graduate certificate program aligns to several objectives identified in the college's 2017-2020 Strategic Plan, including:

- Deliver high-quality programs to help students develop a wide range of career-ready skills;
- Develop new programs and services to meet the evolving demands of the job market and our students;
- Expand flexible, experiential and global learning opportunities; and
- Expand our reputation among the local and global community.

In addition, this new program aligns to several objectives and strategy considerations identified in the college's 2017-2020 Academic Plan, including:

- Introduce new programs to meet evolving student, societal, and workforce needs;
- Provide career-focused learning; and
- Increase the breadth and number of experiential and work-integrated-learning opportunities.

This new program also aligns with our 2017-2020 Strategic Mandate Agreement (SMA) in the following ways:

- Innovation in Teaching and Learning Excellence: This new graduate certificate program includes two capstone projects in each semester and an optional work-term to address the colleges strategic initiative to ensure that all students have experiential learning opportunities;
- Applied Research Excellence and Impact: This new program aligns and supports the college's new Hub for Research in Artificial Intelligence for Business Systems (AI Hub). Students will benefit greatly from access to the AI Hub, while other select students may find employment at the hub for their work term in semester three;
- Innovation, Economic Development and Community Engagement: Graduates of this new program will fill a significant skills shortage of entry-level positions to support AI project teams working within industry.

4.2 Fit with Existing Programs

The proposed new Artificial Intelligence Analysis, Design and Implementation graduate certificate program aligns well with diploma and advanced diploma programs within the School of Business, IT & Management. Such programs include Business (diploma) and Business Administration (advanced diploma) in Marketing, Accounting, Finance, Supply Chain and Human Resources. Computer Programmer and Computer Programmer Analyst, Computer Systems Technician, and Computer Systems Technology graduates will also see a fit with the program. Durham College also offers graduate certificates that align with the new program including Data Analysis for Business Decision Making, International Business Management and Information Systems Security.

5. Labour Demand and Graduate Employment Possibilities

The Office of Research Services, Innovation and Entrepreneurship prepared a comprehensive environmental scan. The following is a summary of the information and data from the scan.

- McKinsey & Company estimate the global impact of AI to be between \$7.1 trillion to \$13.1 trillion by 2025, while PricewaterhouseCoopers predicts global GDP to grow 14% (i.e. an additional \$15.7 trillion) by 2030 as a result of AI. Those countries that lead in AI research and application are expected to see their nation's growth rates double. Estimates like these render AI today's biggest commercial opportunity.

- Current applications of AI in a business context are numerous. For instance:
 - Machine learning AI systems can be used to predict maintenance schedules and deliver relevant content to employees and customers.
 - Deep learning, a type of machine learning, can be used to detect objects in images and process human language into a structured format for analysis; and
 - Artificial neural nets have been used for pattern recognition in mutual fund investing, fraud detection, credit scoring, and real estate appraisal.
- Based on a global survey conducted by MIT Sloan Management Review of more than 3,000 executives, managers, and analysts across industries, 75% of respondents believe AI will enable their companies to move into new businesses and almost 85% believe AI will allow their companies to obtain or sustain a competitive advantage.
- In Canada, big tech giants (e.g. Google) are establishing offices, hiring Canadian-trained experts, and investing financial resources in research and development (Google allocated \$5 million to the Vector Institute in Toronto). In September 2016, Facebook announced it would set up an AI research lab in Montreal. Moreover, major Canadian firms established NextAI, a program to provide funding for start-ups. It is estimated that Canadian AI start-ups have raised \$260 million.
- The Canadian federal government is allocating \$125 million over the next five years towards a Pan-Canadian Artificial Intelligence Strategy.
- Quebec allocated \$100 million to its AI community in Montreal and Ontario allocated \$50 million toward the Vector Institute in Toronto.
- Although there is tremendous demand for AI from both business sectors and governments, business adoption of AI is at a very early stage. Only one in five companies has incorporated AI in some offerings or processes, while only one in twenty companies has extensively incorporated AI in offerings or processes.
- Adoption of AI appears more likely among larger companies, one reason being they have greater resources than small- and medium-sized enterprises (SMEs). This could place SMEs at a disadvantage, especially given that the companies that are able to lead the way in big data and AI are expected to accrue value at the expense of those companies that do not. This supports calls for increased funding for SMEs from the Ontario provincial government, especially if Ontario wishes to be a major player in the global AI landscape.

- While technological advancements do eliminate some types of jobs, they also create new ones. Similarly, application of AI will generate new job opportunities while making some lower-skill jobs redundant. In most cases, AI serves to augment human work rather than replace human beings. The adoption of AI by small- and medium-sized businesses is expected to create additional jobs that will require incumbents to be trained in AI competencies.
- If companies want to use AI effectively, there is the expectation that organizations will have staff trained in AI and data analytics. Being able to attract and develop people capable of combining both business and technical skills will be critical for companies to succeed. However, there is shortage of people who possess these skills. There are currently not enough AI graduates in Canada. This can be understood in context of a “skills gap” with advanced technology more generally, estimated to cost the Ontario economy \$24.3 billion in GDP and \$3.7 billion in provincial tax revenues annually.
- Many of Canada's largest companies have stated a desire to hire thousands more data scientists in the coming years. Some large companies have recently moved their AI divisions to Toronto, including Thomson Reuters and General Motors, with the intention of hiring hundreds of data scientists.

6. Student Interest

This proposed new program is unique in the system and there no other colleges currently offering similar programs. The closest graduate certificate programs in which to base a comparison include, Research Analyst (MTCU 70717), Information Systems Security (MTCU 73002) and Information Systems Business Analyst (70502). The following tables display system-wide applications, first choice applications and confirmed acceptances in these programs.

6.1 Research Analyst – MTCU 70171

Applications and Confirmations	2013-14	2014-15	2015-16	2016-17	2016-17
Total Applications	353	394	426	548	501
First Choice Applications	172	178	183	218	189
Confirmed Acceptances	109	109	108	128	118
Number of Programs	5	5	5	6	6
Avg. conf./program	22	22	22	21	20

Table Source: OCAS Data Warehouse, accessed February 2018

- The average growth for total applications between 2013 and 2017 was 1 per cent.
- Over the same reporting period, three to four students leave the Durham College catchment area to enrol in other Research Analyst programs.

6.2 Information Systems Security

Applications and Confirmations	2013-14	2014-15	2015-16	2016-17	2016-17
Total Applications	92	119	150	207	275
First Choice Applications	30	42	63	85	115
Confirmed Acceptances	15	22	39	50	68
Number of Programs	3	4	4	5	5
Avg. conf./program	5	6	10	10	14

Table Source: OCAS Data Warehouse, accessed February 2018

- The average growth for total applications between 2013 and 2017 was 32 per cent.
- There are no students leaving the Durham catchment area to enrol in this program at other Ontario colleges.

6.3 Information Systems Business Analyst (Fall intake)

Applications and Confirmations	2013-14	2014-15	2015-16	2016-17	2017-18
Total Applications	108	107	100	138	169
First Choice Applications	52	58	50	65	94
Confirmed Acceptances	23	35	39	44	54
Number of Programs	2	2	2	2	2
Avg. conf./program	12	18	20	22	27

Table Source: OCAS Data Warehouse, accessed April 2018

- The average growth for total applications between 2013 and 2017 was 13 per cent
- No application and confirmation data is available for Mohawk's program.
- Over the reporting period (2013 to 2017) three students have left the Durham catchment for this program.

7. Analysis of Competition

This graduate certificate is new and not currently being delivered in Ontario. Using the same programs noted above, the following colleges offer Research Analyst and Information Systems Security graduate certificate programs:

College	Research Analyst (70717)
Algonquin	- Marketing Research and Business Intelligence
Centennial	- Marketing – Research and Analytics
Durham	- Data Analytics for Business Decision Making
Fanshawe	- Research and Evaluation
Georgian	- Research Analyst
George Brown	- Analytics for Business Decision Making
Humber	- Research Analyst
Lambton	- Analytics for Business Decision Making
Mohawk	- Analytics for Business Decision Making
Seneca	- Social Media Analytics - Strategic Marketing and Marketing Analytics - Sales Force Automation and CRM Analytics
Fleming	- Applied and Community-Based Research

College	Information Systems Security (73002)
Centennial	- Cybersecurity
Conestoga	- Information Technology Network Security - Computer Application Security
Durham	- Information Systems Security - Computers and Networking
Fanshawe	- Information Security Management - Network and Security Architecture
Georgian	- Information Systems Security
George Brown	- Network and System Security Analysis
Lambton	- Cyber Security

College	Information Systems Business Analyst
Cambrian	- I.T. Business Analysis
George Brown	- Information Systems Business Analysis
Mohawk	- Libraries and Digital Technologies

8. Target Market

The target market for this new program is diploma, advanced diploma and degree graduates or mature students with a combination of related work experience, looking to enhance their knowledge and expertise in the field of AI.

9. Operating Revenue and Expenses

The following tables summarize the net contribution for the Artificial Intelligence Analysis, Design and Implementation graduate certificate program. The second table reflects the contribution.

Student Enrolment	2019-20 Projection	2020-21 Projection	2021-22 Projection	2022-23 Projection	2023-2024 Projection
Year 1	25	30	30	30	30
Total	25	30	30	30	30

Net Contribution	2018-19 Projection	2019-20 Projection	2020-21 Projection	2021-22 Projection	2022-23 Projection
Total Direct Program Expenses	148,332	152,302	156,391	160,603	164,941
Total Revenue For Program	194,579	236,018	238,617	241,294	244,051
Net Contribution \$	46,247	83,716	82,226	80,691	79,111
Net Accumulated Contribution / (Deficit)	46,247	129,963	212,189	292,881	371,991
Net Contribution - % of Gross Revenue	23.8%	35.5%	34.5%	33.4%	32.4%
Target Net Contribution	n/a	Breakeven	40.0%	40.0%	40.0%

Revenue	2019-20 Projection	2020-21 Projection	2021-22 Projection	2022-23 Projection	2023-24 Projection
Tuition Fees per academic year	\$3,115	\$3,209	\$3,305	\$3,404	\$3,506

New Program Summary

Revenue	2019-20 Projection	2020-21 Projection	2021-22 Projection	2022-23 Projection	2023-24 Projection
Set-Aside Fee Removed	\$312	\$321	\$330	\$340	\$351
Tuition Fee realized by college	\$2,804	\$2,888	\$2,974	\$3,064	\$3,156
Total Tuition Fees	\$70,093	86,635	89,234	91,911	94,668
Other Revenue (Clinic Work)	0	0	0	0	0
Total Other Revenue	0	0	0	0	0
Program Wtd Funding Unit (Wt X FU / Dur)	1.20	1.20	1.20	1.20	1.20
Grant - MTCU Operating (assume \$4149/wfu)	\$124,486	\$149,383	\$149,383	\$149,383	\$149,383
Total Revenue	\$194,579	\$236,018	\$238,617	\$241,294	\$244,051

Expenditures	2019-20 Projection	2020-21 Projection	2021-22 Projection	2022-23 Projection	2023-24 Projection
Salaries - Faculty (FT)	85,000	87,550	90,177	92,882	95,668
Salaries - Co-ordinator Allowance	0	0	0	0	0
Salaries - PT Teaching	22,680	23,360	24,061	24,783	25,527
Salaries - PL Teaching	0	0	0	0	0
Salaries - Sessional Teaching	0	0	0	0	0
Contract Teaching	0	0	0	0	0
Total Teaching Salaries	107,680	110,910	114,238	117,665	121,195
Support Staff	0	0	0	0	0
Total Academic Support Costs	0	0	0	0	0
Benefits - Faculty - FT 25%	21,250	21,888	22,544	23,220	23,917
Benefits - Faculty - PT 15.0%	3,402	3,504	3,609	3,717	3,829
Benefits - SS (FT) 28%	0	0	0	0	0
Total Employee Benefits	24,652	25,392	26,153	26,938	27,746
Total Labour	132,332	136,302	140,391	144,603	148,941
Instructional Supplies	5,000	5,000	5,000	5,000	5,000
Instructional Other Costs	0	0	0	0	0

New Program Summary

Expenditures	2019-20 Projection	2020-21 Projection	2021-22 Projection	2022-23 Projection	2023-24 Projection
Field Work	0	0	0	0	0
Membership & Dues	3,000	3,000	3,000	3,000	3,000
Professional Development	1,500	1,500	1,500	1,500	1,500
Travel/accommodation/meals	1,500	1,500	1,500	1,500	1,500
Promotion/Public relations	5,000	5,000	5,000	5,000	5,000
Maintenance- Equipment	0	0	0	0	0
Telecommunications	0	0	0	0	0
Software Costs	0	0	0	0	0
Office supplies/Other Expenses	0	0	0	0	0
Rental	0	0	0	0	0
Total Other Expenditure	16,000	16,000	16,000	16,000	16,000

Report Number: BOG-2018-39

To: Board of Governors

From: Elaine Popp, vice-president, Academic

Date of Report: April 30, 2018

Date of Meeting: May 9, 2018

Subject: DC-UOIT Academic Pathways Report 2017-2018

1. Purpose

To provide the Board of Governors with an annual update on the Durham College (DC)-University of Ontario Institute of Technology (UOIT) academic pathways.

2. Recommendation

It is recommend to the Durham College Board of Governors:

That Report BOG-2018-39, providing the DC-UOIT Academic Pathways update be received for information.

3. Background

In 2003, the UOIT was established as a science, technology, engineering and manufacturing university. Included in the Act proclaiming UOIT was the mission to facilitate student transition between college-level programs and university-level programs. To that end, UOIT collaborates with DC, and through their respective strategic plans, DC and UOIT are committed to providing students with a transparent and effortless credit transfer system. This collaboration is consistent with the vision of the Ministry of Advanced Education and Skills Development, which articulates the need for increased pathways between colleges and universities, and identifies the development of a comprehensive and transparent credit-transfer system as a high priority for Ontarians.

Each year, DC and UOIT collaborate on data exchange and analysis to continue to assess the pathways framework and the mobility of students between the two institutions.

4. Discussion/Options

This report presents the update for student mobility between DC and the UOIT.

For the reporting year 2017-18:

- 593 students in the first year of studies at DC had prior UOIT experience.
- 1,788 students in the first year of studies at DC declared prior postsecondary experience at an institution other than DC.
- Of these 1,788 students, 15.7 per cent (280 students) declared verified prior UOIT experience on their admission application.
- Of the 280 students who declared prior verified UOIT postsecondary experience, 12.1 per cent (34 students) were enrolled in one year certificate programs, 56.8 per cent (159 students) in diploma or advanced diploma programs, 31.1 per cent (87 students) in graduate certificates.

For the reporting year 2017-18:

- 435 students who started their studies at UOIT had prior DC experience.
- 703 students in first year of studies at UOIT declared prior postsecondary experience at an Ontario college.
- Of these 703 students, 49.4 per cent (347 students) declared their prior verified DC experience on their admission application.
- Of the 347 students who declared prior DC experience, 64.9 per cent (225 students) had graduated from diploma or advanced diploma programs, 8.6 per cent (30 students) had graduated from certificate program, 2.6 per cent (9 students) had graduated from graduate certificate program, and 23.9 percent (83 students) had partial experience.

The attached DC-UOIT Academic Pathways Report – Detailed, further presents 2016-17 and 2015-16 comparisons, identifies specific programs of strong interest at each institution, and provides a list of articulation agreements between the two institutions as of the beginning of the academic year 2017-18.

5. Financial/Human Resource Implications

Capital and/or other resources required to implement improvement strategies are factored into decisions on capital expenditures. Strategies designed to promote the student mobility through integrated curriculum development and other relevant avenues have and will continue to be factored into future budget and planning decisions.

6. Implications for the Joint Campus Master Plan

There are no implications for the joint campus master plan.

7. Implications for UOIT

Both DC and UOIT are committed to promoting student mobility. Collaborative data exchange and analysis may provide both DC and UOIT the opportunity to identify opportunities for potential articulation agreements and assess success of transfer students from their respective institution.

8. Relationship to the Strategic Plan/Business Plan

This report relates to the “Our Students” pillar of the Strategic Plan, and the goal to provide students with the best possible learning experiences by continuing to assess various aspects of student learning experiences, and the related graduate and employment outcomes.

DC-UOIT Academic Pathways Report - Detailed

This report presents student mobility between Durham College and the University of Ontario Institute of Technology (UOIT).

Figures and tables will be presented for both UOIT and Durham College with results presented in three sections:

Section 1: Pathways Students, presents data on the new non-direct students at each institution;

Section 2: Programs of Interest, presents the programs with the greatest uptake in recent years; and

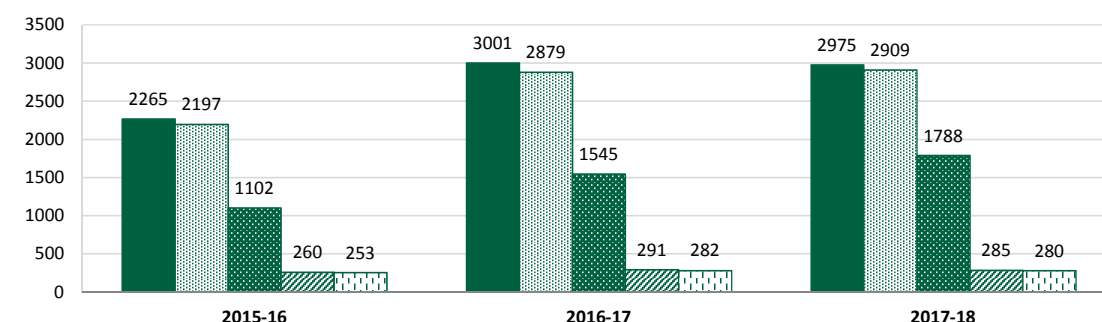
Section 3: Articulation agreements, reflects the agreements that were established at the beginning of the 2017-18 academic year.

Section 1: Pathways Students

Pathways Students (UOIT --> Durham College)

Figure 1 displays the progressive totals for all students that can be identified as a 'new' non-direct student enrolment at Durham College for the last three years. Students who declared their previous educational experience at Durham College are included only if the student was not enrolled as a Continuing Education student, Academic Upgrading student or apprenticeship student.

Figure 1: Durham College Data



Legend	Student Population	2015-16	2016-17	2017-18
	Starting Student Population: Number of non-direct students new to Durham College	2265	3001	2975
	Subset 1: # of students declaring a previous Post-Secondary experience in Ontario	2197	2879	2909
	Subset 2: # of students declaring a non-Durham College postsecondary experience	1102	1545	1788
	Subset 3: # of students declared having a UOIT experience	260	291	285
	Subset 4: # of students that were confirmed as having a postsecondary UOIT experience and declared it on their application	253	282	280

For the 2017-18 reporting year, the total number of Durham College students that can be confirmed by UOIT as having a full-time postsecondary registration record in the previous year is 593 students. Of these students, there are students who declared and were confirmed to have a full-time postsecondary experience, there are students with a full-time postsecondary registration record who failed to declare it, as well as students that declared having a full-time postsecondary enrolment, but fail to have a registration record at the time of validation. All three categories are presented below:

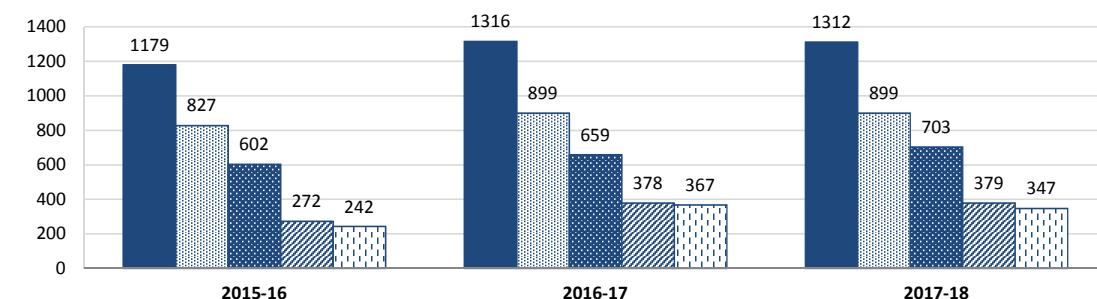
- 280 students declared a UOIT experience and had an enrolment record;
- 5 students declared a UOIT experience, but DID NOT have an enrolment record; and
- 313 students DID NOT declare their UOIT experience, but had an enrolment record.
- In summary, 593 students had a UOIT enrolment record.

Additionally, of the 280 students where a full-time postsecondary UOIT record was declared and confirmed in 2017-18, 34 enrolled into a certificate program (12.1%), 159 enrolled into a diploma or advanced diploma program (56.8%), and 87 enrolled into a graduate certificate program (31.1%). The data for 2017-18, along with the data for 2015-16 and 2016-17 is presented in Table 1.

Pathways Students (Durham College --> UOIT)

Figure 2 displays the progressive totals for all students that can be identified as a 'new' non-direct student enrolment at UOIT for the last three years. Students declaring a previous educational experience do not include readmit students.

Figure 2: UOIT Data



Legend	Student Population	2015-16	2016-17	2017-18
	Starting Student Population: Number of non-direct students new to UOIT	1179	1316	1312
	Subset 1: # of students declaring a previous PSE in ON	827	899	899
	Subset 2: # of students declaring an experience at a college in ON	602	659	703
	Subset 3: # of students declaring a Durham College experience	272	378	379
	Subset 4: # of students that were confirmed with a full-time postsecondary Durham College experience and declared it on their application	242	367	347

For the 2017-18 reporting year, the total number of UOIT students that can be confirmed by Durham College as having a postsecondary registration record in the previous year is 406 students. Of these students, there are students who declared and were confirmed to have a postsecondary experience, there are students with a postsecondary registration record who failed to declare it, as well as students that declared having a full-time postsecondary enrolment, but fail to have a registration record at the time of validation. All three categories are presented below:

- 347 students declared a DC experience and had an enrolment record;
- 8 students declared a DC experience, but DID NOT have an enrolment record; and
- 88 students DID NOT declare their DC experience, but had an enrolment record.
- In summary, 435 total students had a DC enrolment record.

Additionally, of the 347 students where a full-time postsecondary Durham College record was declared and confirmed in 2017-18, 83 (23.9%) had a partial Durham College experience, that is they did not graduate, 30 (8.6%) graduated with a certificate, 225 (64.9%) graduated with a diploma or advanced diploma and 9 graduated with a graduate certificate (2.6%).

Section 2: Programs of Interest

Table 1 and 2 present student enrolment data at an aggregate level. The purpose of these tables is to identify the top five programs of interest among Durham College students into UOIT programs, and UOIT students into Durham programs. In order to determine the rank of each program, the summed student enrolment for the most recent two years is used.

Program (Program Credential)	Sum Total*	2016-17		2017-18	
		# of Students	as a %	# of Students	as a %
Registered Nurse - Critical Care Nursing	55	26	9.2%	29	10.3%
Practical Nursing	24	11	3.9%	13	4.6%
Court And Administrative Tribunal Agent	24	11	3.9%	13	4.6%
Addictions and Mental Health	19	6	2.1%	13	4.6%
General Arts And Science - Nursing Prep	18	6	2.1%	12	4.3%
Computer Programmer Analyst	11	6	2.1%	5	1.8%

*Sum Total refers to two-year total for 2016-17 and 2017-18

Program		Sum Total*	2016-17		2017-18	
			# of Students	as a %	# of Students	as a %
Bachelor of Commerce	Total	269	119	32.4%	150	40.2%
	Embedded Bridge**	179	87	23.7%	92	26.4%
	Bridge	49	18	4.9%	31	8.9%
	Other	41	14	3.8%	27	7.8%
BA (Hons) Criminology and Justice	Bridge	88	39	10.6%	49	14.1%
	Other	21	10	2.7%	11	2.9%
BA(Hons), Forensic Psych Bridge	Bridge	62	32	8.7%	30	8.6%
	Other	13	6	1.6%	7	1.7%
Bachelor of Science in Nursing	Collaborative	45	33	9.0%	12	3.4%
	Post PN	24	12	3.3%	12	3.4%
BA Educational Studies & Digital Technology		48	16	4.4%	32	9.2%

* Sum Total refers to two-year total for 2016-17 and 2017-18

** An embedded bridge program is a program where students take the first two years of a program at DC (inclusive of bridging courses), and then complete the remaining two years of a Bachelor of Commerce at UOIT.

Section 3: Articulation Agreements

All of the articulation agreements in place as of the beginning of the academic year 2017-18 are presented in Table 3. The information is presented by the school in which the program resides at Durham College. Please note that the number of programs and the number of associated articulations for those programs are presented at the start of each table. Any program that may require additional credentialing has been identified with the corresponding note after each school table.

Table 3: Pathway Agreements; by Durham College School Assignment

Durham College Program		UOIT Program:	Type of Entry
<i>School of Business, IT and Management (# of Programs = 15; # of Articulations = 22)</i>			
1	Business - Accounting	Bachelor of Commerce	Bridge, Embedded Bridge
2	Business - Human Resources	Bachelor of Commerce	Bridge, Embedded Bridge
3	Business - Marketing	Bachelor of Commerce	Bridge, Embedded Bridge
4	Business Administration - Human Resources	Bachelor of Commerce	Direct Entry
5	Business Administration - Accounting	Bachelor of Commerce	Direct Entry
6	Business Administration - Marketing	Bachelor of Commerce	Direct Entry
7	Business - Finance	Bachelor of Commerce	Bridge
8	Business Administration- Finance	Bachelor of Commerce	Bridge
9	Computer Programmer	Bachelor of Information Technology in Game Development and Entrepreneurship	Bridge
		Bachelor of Information Technology in Networking and Information Technology Security	Bridge
10	Computer Programmer Analyst	Bachelor of Computing Science	Diploma to Degree
		Bachelor of Information Technology in Game Development and Entrepreneurship	Bridge
		Bachelor of Information Technology in Networking and Information Technology Security	Bridge
11	Computer Systems Technician	Bachelor of Information Technology in Game Development and Entrepreneurship	Bridge
		Bachelor of Information Technology in Networking and Information Technology Security	Bridge, Embedded Bridge
		Bachelor of Computing Science	Bridge
12	Computer Systems Technology	Bachelor of Information Technology in Game Development and Entrepreneurship	Bridge
		Bachelor of Information Technology in Information Technology Security	Bridge
		Bachelor of Information Technology in Networking and Information Technology Security	Direct Entry
13	Entrepreneurship and Small Business - Business	Bachelor of Commerce	Bridge, Embedded Bridge
14	Supply Chain and Operations - Business	Bachelor of Commerce	Bridge, Embedded Bridge
15	Supply Chain and Operations Management - Business Administration	Bachelor of Commerce	Direct Entry

School of Health and Community Services (# of Programs = 8; # of Articulations = 15)			
16	Addictions and Mental Health	Bachelor of Allied Health Sciences***	Bridge
17	Child and Youth Care	Bachelor of Arts in Criminology and Justice	Bridge
		Bachelor of Arts in Forensic Psychology	Bridge
		Bachelor of Arts in Political Science	Bridge
		Bachelor of Arts in Legal Studies **	Bridge
18	Dental Hygiene	Bachelor of Allied Health Sciences	Bridge
19	Developmental Services Worker	Bachelor of Arts in Political Science	Bridge
		Bachelor of Arts in Legal Studies **	Bridge
20	Fitness and Health Promotion	Bachelor of Health Science - Kinesiology	Diploma to Degree
21	Occupational Therapist Assistant/Physiotherapist Assistant	Bachelor of Allied Health Sciences	Bridge
22	Practical Nursing	Bachelor of Science in Nursing	Post RPN
		Bachelor of Allied Health Sciences	Bridge
23	Social Service Worker	Bachelor of Arts in Forensic Psychology	Bridge
		Bachelor of Arts in Political Science	Bridge
		Bachelor of Arts in Legal Studies **	Bridge

***If presented concurrently with a college diploma or university degree

**If presented concurrently from a graduate certificate in Legal Research and Information Management, Mediation – Alternative Dispute Resolution, or Paralegal

School of Interdisciplinary Studies (# of Programs = 1; # of Articulations = 4)			
24	General Arts and Science – Liberal Arts UOIT Transfer	Bachelor in Communication and Digital Media Studies	Transfer
		Bachelor of Arts in Forensic Psychology	Transfer
		Bachelor of Arts in Legal Studies	Transfer
		Bachelor of Arts in Political Science	Transfer

School of Justice and Emergency Services (# of Programs = 7; # of Articulations = 16)			
25	Law Clerk - Advanced	Bachelor of Arts in Legal Studies	Bridge
		Bachelor of Arts in Criminology and Justice *	Bridge
26	Office Administration - Legal	Bachelor of Arts in Legal Studies	Bridge
27	Paralegal	Bachelor of Arts in Legal Studies	Bridge
		Bachelor of Arts in Political Science	Bridge
		Bachelor of Arts in Criminology and Justice *	Bridge
28	Paramedic	Bachelor of Allied Health Sciences	Bridge
29	Police Foundations	Bachelor of Arts in Criminology and Justice	Bridge
		Bachelor of Arts in Forensic Psychology	Bridge
		Bachelor of Arts in Political Science	Bridge
		Bachelor of Arts in Legal Studies **	Bridge
30	Protection, Security and Investigation	Bachelor of Arts in Criminology and Justice	Bridge
		Bachelor of Arts in Forensic Psychology	Bridge
		Bachelor of Arts in Political Science	Bridge
		Bachelor of Arts in Legal Studies **	Bridge
31	Youth Corrections and Interventions	Bachelor of Allied Health Sciences	Bridge

***If presented concurrently from a graduate certificate in Legal Research and Information Management, Mediation – Alternative Dispute Resolution, or Paralegal*

**If presented concurrently with a graduate certificate in Youth Corrections and Interventions*

School of Media, Art and Design (# of Programs = 12; # of Articulations = 14)

32	Advertising and Marketing Communications	Bachelor of Arts in Communication and Digital Media Studies	Bridge
33	Animation - Digital	Bachelor of Information Technology in Game Development and Entrepreneurship	Bridge
34	Animation - Digital Production	Bachelor of Information Technology in Game Development and Entrepreneurship	Bridge
35	Broadcasting – Radio and Contemporary Media	Bachelor of Arts in Communication and Digital Media Studies	Bridge
36	Contemporary Web Design	Bachelor of Arts in Communication and Digital Media Studies	Bridge
		Bachelor of Information Technology in Networking and Information	Bridge
		Bachelor of Information Technology in Game Development and Entrepreneurship	Bridge
37	Photography	Bachelor of Arts in Communication and Digital Media Studies	Bridge
38	Video Production	Bachelor of Arts in Communication and Digital Media Studies	Bridge
39	Game Development	Bachelor of Information Technology in Game Development and Entrepreneurship	Bridge
40	Interactive Media Design	Bachelor of Arts in Communication and Digital Media Studies	Bridge
41	Broadcasting - Radio and Contemporary Media	Bachelor of Arts in Communication and Digital Media Studies	Bridge
42	Journalism – Mass Media	Bachelor of Arts in Communication and Digital Media Studies	Bridge
43	Public Relations	Bachelor of Arts in Communication and Digital Media Studies	Bridge

<i>School of Science and Engineering Technology (# of Programs = 4; # of Articulations = 6)</i>			
44	Biomedical Engineering Technology	Bachelor of Allied Health Sciences	Bridge
45	Biotechnology - Advanced	Bachelor of Science in Biological Science	Direct Entry
		Bachelor of Health Science in Medical Laboratory Science	Bridge
		Bachelor of Allied Health Sciences	Bridge
46	Environmental Technology	Bachelor of Arts in Political Science	Bridge
47	Pharmaceutical and Food Science Technology	Bachelor of Science	Direct Entry
<i>Centre for Food (# of Programs = 1; # of Articulations = 1)</i>			
48	Hospitality Management - Hotel, Restaurant and Tourism	Bachelor of Commerce	Advanced Standing (15 credits)

The following pathways are applicable to all programs offered at Durham College.

<i>General Pathways</i>			
49	Any 2 or 3 year diploma program	Bachelor of Commerce	Bridge
50	Any 2 or 3 year diploma program	Educational Studies and Digital Technology	Direct Entry
51	Any 2 or 3 year diploma program	Designing Adult Learning for the Digital Age	Direct Entry

Appendix A

Data Definitions

Transfer – For UOIT, transfer programs award a block of credit (around one year typically); however, not as much credit as their direct-entry or bridge options.

Direct Entry – a pathway opportunity that allows graduates to gain entry into an upper-level of a program with a full block of credit for the prior year(s). For example, our three-year Business Administration graduates can gain entry into the third year of the Bachelor of Commerce at UOIT.

Bridge – refers to a course or program constructed to provide remedial and/or transition support for students. Graduates of three year diplomas typically bypass the summer bridge and enter directly into year three at UOIT, whereas graduates of two-year programs do not.

Embedded Bridge – refers to a program where students take the bridge courses as part of their Durham College diploma (embedded in their program) rather than completing the bridge after graduating from Durham College and prior to entering the Bachelor of Commerce program.

Added notes: The idea is that the “bridge” term will close the gap between their former and proceeding credentials.

Diploma to Degree – General term used to describe any opportunities to transfer from a diploma to a degree (particularly from a specific diploma to a related degree program. i.e. from Police Foundations to Criminology).

Post RPN – Post-diploma option for Practical Nursing graduates who are certified by the College of Nurses of Ontario.

Advanced Standing – refers to the recognition of prior studies or experiences where granting a student access to a higher level of postsecondary studies or an exemption is appropriate rather than specific credit.

Added Notes: At Durham, the term advanced standing similarly to “direct entry”, in the sense that it’s awarding students entry into an upper-level (“advanced”) term in our program. For UOIT, it refers to a block of credit being awarded to a student (similar to transfer) but perhaps not a formal pathway.

Report Number: BOG-2018-37

To: Board of Governors

From: Don Lovisa, President

Date of Report: April 26, 2018

Date of Meeting: May 9, 2018

Subject: 2018-2019 Business Plan

1. Purpose

The purpose of this report is to introduce the new Business Plan for 2018-2019.

2. Recommendation

It is recommended to the Durham College Board of Governors:

That based on Report BOG-2018-37, the 2018-2019 Business Plan be approved.

3. Background

The Business Plan allows Durham College to plan its operations for the fiscal year (April 1st – March 31th) within the framework outlined in its Strategic Plan (2017-2020), and in support of its mission, vision and values. The Business Plan identifies to the public and provincial government the operational outcomes that the college expects to achieve in the fiscal year. The Ministry of Advanced Education and Skills Development uses the information provided in college business plans for government planning and policy-making purposes.

Section 8 of O. Reg. 34/03 under the Ontario Colleges of Applied Arts and Technology Act, 2002 requires that Durham College make the Business Plan available to the public and submit it to the post-secondary accountability branch director, at the Ministry of Advanced Education and Skills Development, by June 30 of each year.

An annual Business Plan is a requirement of all Ontario colleges, as described in the Minister's Binding Policy Directive 1.0 – Governance and Accountability, Business Plan.

4. Discussion/Options

The Business Plan was prepared in collaboration with all departments and areas of operation on campus, led by the Durham College Leadership Team (DCLT).

This is the second business plan developed during the 2017-2020 Strategic Plan. Building on the four pillars: Our Students, Our People, Our Business and Our Community – this new business plan provides a road map for how the college will continue to innovate and strengthen our academics and our operations. This business plan is developed alongside the new Enrolment Management Plan, the Academic Plan and the International & Global Engagement Plan. Together, these four documents support the college's pillars, and help provide direction and guidelines to achieve the goals of the strategic plan.

The accompanying 2018-2019 Business Plan Scorecard describes in detail 23 objectives and 78 actions. This document serves as a measure of performance for the President and a measure of progress across all departments.

Some of these objectives and actions from the new business plan include, but are not limited to:

4.1 Our Students

- Ensure recruitment and enrolment strategies that achieve Durham College established targets:
 - Manage domestic enrolment to maintain a 0% increase.
 - International students representing 63 countries.
 - Achieve greater diversity of international students by country
- Program Development & Excellence:
 - Increase work integrated learning opportunities by launching 12 new co-op programs.
 - Launch seven new post-secondary programs in fall 2018.
 - Develop a culture of internationalization through the provision of internal and external professional development opportunities.

4.2 Our People

- New employee development opportunities:
 - Provide workshops for faculty on video-wall usage and encourage adoption of new technology.

4.3 Our Business

- Implement Strategic Mandate Agreement 2:
 - Align College business plan activities with Ministry of Advanced Education and Skills Development priorities.
- Provide college system leadership:
 - Align business plan activities with appropriate Colleges & Institutes Canada and Colleges Ontario initiatives.
- Complete capital projects on time and on budget:
 - Some major projects include the new geothermal field, and the athletic field renovations at Vaso's Field.
- Update information technology systems to improve student experience:
 - Upgrades include new network firewalls, updating Banner to comply with *Accessibility for Ontarians with Disabilities Act*, and the new video wall in the Centre for Collaborative Education.

4.4 Our Community

- Support partners in reaching their community goals:
 - Collaborate with community Justice Hub to provide accessible legal and social service agencies to the community and work integrated learning opportunities for students.
 - Partner with Community Care Centre Durham to deliver dental services to low income families.
- Advance applied research partnerships:
 - Develop new applied research and service collaborations with craft brewers through the Centre for Craft Brewing Innovation.

The Board will receive three updates on the plan in the coming year as part of regular tracking and review, to ensure goals are track for completion. The College is expected to publish a report on the performance of this Business Plan, through its Annual Report by July 2019.

5. Financial/Human Resource Implications

There are no financial or human resource implications at this phase of the Business Plan update.

6. Implications for the Joint Campus Master Plan

There are no implications for the joint campus master plan.

7. Implications for UOIT

There are no implications for UOIT.

8. Relationship to the Strategic Plan/Business Plan

The 2018-2019 Business Plan supports the 2017-2020 Strategic Plan including the Mission, Vision and Values outlined in the Strategic Plan. Further, this Business plan supports the four pillars of the strategic plan, specifically:

1. **Our Students** - To provide students with the best possible learning experience.
2. **Our People** - To optimize the experience and expertise of our people and help them make the best possible contribution toward the student experience.
3. **Our Business** - To manage resources responsibly and ensure that we are financially and environmentally sustainable, demonstrate good governance, and are leaders in the support of outstanding teaching and learning.
4. **Our Community** - To contribute and respond to the economic, social and environmental well-being of our community.

2018-2019 Business Plan Scorecard



OUR STUDENTS

- Goal:** To provide students with the best possible learning experience. We will:
- Deliver high-quality programs to help students develop a wide range of career-ready skills.
 - Expand flexible, experiential and global learning opportunities.
 - Support students’ wellbeing with a focus on adaptability and resilience.
 - Build lifelong relationships with students.

Objective	Action	Measurement/Milestone	Lead	Update on Actions	Status
1. Ensure recruitment and enrolment strategies that achieve DC established targets	• Develop annual strategies for the Working Groups of the Enrolment Advisory Committee (Recruitment; Student Persistence and Retention) that support the goals identified in the Enrolment Management Plan.	• Completion of Enrolment Management Plan templates for years 2017-18, 2018-19 and 2019-20.	• Vice-President, Academic • Vice-President, Student Affairs	•	
	• Implement an online Registration Management System to provide Corporate Training Services customers the ability to register and pay for programs.	• Registration Management System implemented and fully functional by Q4.	• Vice-President, Academic • Chief Administrative Officer	•	

2018-2019 Business Plan Scorecard

Objective	Action	Measurement/Milestone	Lead	Update on Actions	Status
	<ul style="list-style-type: none"> Develop new admissions and recruitment systems to support a greater diversity of international students by country and program area. 	<ul style="list-style-type: none"> International students representing at least 63 countries. 	<ul style="list-style-type: none"> Vice-President, Academic 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Achieve domestic enrolment targets for 2018/19 academic year. 	<ul style="list-style-type: none"> Enrolment targets for new and returning domestic students are met. Domestic enrolment increase 0.0% 	<ul style="list-style-type: none"> Vice-President, Academic Vice-President, Student Affairs 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Implement recommendations arising from the Strategic Enrolment Services (SES) Customer Service Standards project. 	<ul style="list-style-type: none"> The five recommendations from the “Customer Service Standards – Summary of Findings” report are successfully implemented. 	<ul style="list-style-type: none"> Vice-President, Student Affairs 	<ul style="list-style-type: none"> 	
2. Support Program Development and Excellence	<ul style="list-style-type: none"> Ensure exceptional quality in our academic programs. 	<ul style="list-style-type: none"> Development and submit the third degree program. Achieve ministry consent for our second degree submission. Implement a new course code protocol. Revise and implement new mapping process for new program development, Comprehensive Program Review, and new program standards. 	<ul style="list-style-type: none"> Vice-President, Academic 	<ul style="list-style-type: none"> 	

2018-2019 Business Plan Scorecard



Objective	Action	Measurement/Milestone	Lead	Update on Actions	Status
		<ul style="list-style-type: none">Establish Program Advisory Committees for Cannabis Industry and Mental Health and Addictions in School of Continuing Education.			
	<ul style="list-style-type: none">Increase work integrated learning opportunities	<p>Launch 12 new co-op programs:</p> <p>School of Business, IT & Management (BITM)</p> <p>1. Accounting – Business Administration 2. Finance – Business Administration 3. Human Resources – Business Administration 4. Marketing – Business Administration 5. Supply Chain and Operations Management – Business Administration</p> <p>School of Science & Engineering Technology (SET)</p> <p>6. Civil Engineering Technician 7. Civil Engineering Technology 8. Water Quality Technician</p> <p>School of Justice & Emergency Services (JES)</p> <p>9. Fire and Life Safety Systems Technician 10. Office Administration – Legal</p> <p>Centre for Food (CFF)</p> <p>11. Hospitality – Hotel and Restaurant Operations Management</p>	<ul style="list-style-type: none">Vice-President, Academic	<ul style="list-style-type: none">	

2018-2019 Business Plan Scorecard

Objective	Action	Measurement/Milestone	Lead	Update on Actions	Status
		School of Skilled Trades, Apprenticeship & Renewable Technology (START) 12. Welding Engineering Technician <ul style="list-style-type: none"> Create administrative protocols for managing co-op students and employers through the full the co-op experience from application to work term completion. 			
	<ul style="list-style-type: none"> Implement the Career Ready Fund initiative to create new and enhanced experiential learning (EL) opportunities. 	<ul style="list-style-type: none"> Establish more than 12 new EL projects, creating more than 250 new EL opportunities across at least 6 different schools. 	<ul style="list-style-type: none"> Vice-President, Academic 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Identify and implement new course delivery options in continuing education. 	<ul style="list-style-type: none"> Pilot new delivery models, and assess whether learner needs have been met or improved. 	<ul style="list-style-type: none"> Vice-President, Academic 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Support internationalization of the curriculum. 	<ul style="list-style-type: none"> Create internationalization professional development opportunities for faculty as well as the Centre for Faculty and Academic Enrichment (CAFE) staff. Utilize a seconded faculty facilitator to support the interculturalizing and globalization 	<ul style="list-style-type: none"> Vice-President, Academic 	<ul style="list-style-type: none"> 	

2018-2019 Business Plan Scorecard

Objective	Action	Measurement/Milestone	Lead	Update on Actions	Status
		<p>of curriculum in CAFE.</p> <ul style="list-style-type: none"> Establish an internationalization community of practice in the CAFE. Increase funding for international entrepreneurship, experiential education, and research in cooperation with the Office of Research, Innovation & Entrepreneurship (ORSIE). Engage faculty in education abroad, international projects and other opportunities to gain a variety of international experience to reflect on in their classrooms. Develop a culture of internationalization through the provision of internal and external professional development opportunities. 			
	<ul style="list-style-type: none"> Successfully launch seven new post-secondary programs in fall 2018 	<p>Launch of:</p> <ul style="list-style-type: none"> Cosmetic Techniques and Management; Esthetician – Spa Management; Data Analytics for Business Decision Making; Civil Engineering Technology; Civil Engineering Technician; Bachelor of Health Care Technology Management; and Power Engineering Techniques. 	<ul style="list-style-type: none"> Vice-President, Academic 	<ul style="list-style-type: none"> 	

2018-2019 Business Plan Scorecard

Objective	Action	Measurement/Milestone	Lead	Update on Actions	Status
3. Expand access to quality student services	<ul style="list-style-type: none"> Collaborate with community partners to advance student entrepreneurship to support the needs of the local economy and labour market. 	<ul style="list-style-type: none"> Implement a new student conference in January 2019 for Dual Credit students enrolled in the DC Entrepreneurship I course, with the goal of attracting at least 100 students. Successfully expand FastStart programming delivered within the Centre for Collaborative Education in collaboration with at least three community partners. 	<ul style="list-style-type: none"> Vice-President, Academic 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Achieve substantial completion of new residence for Whitby campus will be completed. 	<ul style="list-style-type: none"> Site Plan Agreement Amendment Summer 2018. Construction start Fall 2018. Occupancy September 1, 2019. 	<ul style="list-style-type: none"> Chief Administration Officer 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Develop and launch a Health Promotion Strategy. 	<ul style="list-style-type: none"> Coordinate health promotions on campus that support the Health Promotion strategy. Create and facilitate wellness workshops to increase student resiliency. Target – 15 workshops; 300 participants. 	<ul style="list-style-type: none"> Vice-president, Student Affairs 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Develop Access, Transitions and Retention Model of service in response to Ministry of Advanced Education & Skills Development (MAESD) Ontario Post-secondary Access & 	<ul style="list-style-type: none"> Successfully launch new delivery model to support “in-risk” students. Target – 1000 participants. 	<ul style="list-style-type: none"> Vice-President, Student Affairs 	<ul style="list-style-type: none"> 	

2018-2019 Business Plan Scorecard

Objective	Action	Measurement/Milestone	Lead	Update on Actions	Status
	Inclusion Program (OPAIP).				
	<ul style="list-style-type: none"> Provide for access, retention and success for all students on campus through effective processing of student conduct issues. 	<ul style="list-style-type: none"> Maintain an 80% plus percentage of informal/less impactful resolutions out of the overall student conduct cases. Final report and count Q4. 	<ul style="list-style-type: none"> Vice-President, Student Affairs 	<ul style="list-style-type: none"> 	
4. Increase awareness of new and existing programs through an engaging marketing and communications initiative.	<ul style="list-style-type: none"> Improve program reputation by managing program-specific media relations strategies. 	<ul style="list-style-type: none"> Support the signature and priority program strategy, increase media engagements by 10% (50 engagements) by March 2019. Develop a media training kit to be piloted by training one faculty member from each school. Faculty member will be determined in consultation with the VPA and deans. Completion date March 31, 2019. 	<ul style="list-style-type: none"> Chief Administrative Officer 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Implement strategic marketing plan to support Continuing Education's newly developed goals and objectives. 	<ul style="list-style-type: none"> Conduct an analysis of School of Continuing Education's market presence and brand. Develop and launch creative messaging for campaigns in fall 2018 and winter and spring 2019, to contribute to Continuing Education's business goals and objectives. Review, optimize and pilot digital and social media campaigns in 	<ul style="list-style-type: none"> Chief Administrative Officer Vice-President, Academic 	<ul style="list-style-type: none"> 	

2018-2019 Business Plan Scorecard

Objective	Action	Measurement/Milestone	Lead	Update on Actions	Status
		winter and spring 2019, to ensure alignment with Continuing Education's's new direction.			
	<ul style="list-style-type: none"> Continue Health Care Technology Management Bachelors Honours degree marketing and promotion. 	<ul style="list-style-type: none"> Survey students in the first class to assess effectiveness of advertising and marketing strategy. Consult with Degree Task Force to review and revise year one strategic marketing and communications plans to develop and implement a new plan for fall 2018. Achieve target goal of 25,000 page views on program web page from March 31, 2018 to March 31, 2019. Update program video to include students, teaching facilities and faculty. Completion date: January 31, 2019. 	<ul style="list-style-type: none"> Chief Administrative Officer 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Reinforce the Enrolment Advisory Committee (EAC) working groups in their Enrolment Management Plan deliverables – specifically the Student Recruitment and Student Persistence and Retention Working Groups. 	<ul style="list-style-type: none"> Work with the two working groups to define Communications & Marketing support. Ongoing. Complete actions outlined by working groups within determined timelines. Ongoing. 	<ul style="list-style-type: none"> Chief Administrative Officer 	<ul style="list-style-type: none"> 	

2018-2019 Business Plan Scorecard

Objective	Action	Measurement/Milestone	Lead	Update on Actions	Status
	<ul style="list-style-type: none"> Complete website redesigns for: Bistro '67, Global Class, International, and Con Ed (phase 2). 	<ul style="list-style-type: none"> Bistro '67: Launch new website including Catering and Events and Pantry content to align with operational and customer behavior. Completion date: April 30, 2018. Global Class: Launch new website to align with DC brand and utilize the organizations software and hardware resources. Completion date: July 31, 2018. International: Create a recruitment and admissions focused microsite by separating domestic from International student recruitment and admissions information. Completion date: July 31, 2018. Continuing Education: Redesign website to align with new corporate site design. Completion date: June 1, 2018. 	<ul style="list-style-type: none"> Chief Administrative Officer 	<ul style="list-style-type: none"> 	
5. Engage students with DC Alumni Association throughout the student lifecycle.	<ul style="list-style-type: none"> Recruit student representation to Durham College Alumni Association (DCAA) Board. 	<ul style="list-style-type: none"> Member of DCSI takes position on DCAA Board in September. 	<ul style="list-style-type: none"> Associate Vice-president, Development and Alumni Affairs 	<ul style="list-style-type: none"> 	

2018-2019 Business Plan Scorecard

Objective	Action	Measurement/Milestone	Lead	Update on Actions	Status
	<ul style="list-style-type: none"> Promote Durham College Alumni Association (DCAA) through Alumni Guest Speaker Program, branded items, and participation at student events. 	<ul style="list-style-type: none"> Alumni Guest Speaker Program is being utilized and number of speaker gifts delivered increases by 20%. Ongoing. DCAA Presence at Convocation through distribution of relevant materials. 	<ul style="list-style-type: none"> Associate Vice-president, Development and Alumni Affairs 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Create graduation guide for new alumni. 	<ul style="list-style-type: none"> Guide is completed and available for distribution at Countdown to Grad in Spring 2019. 	<ul style="list-style-type: none"> Associate Vice-president, Development and Alumni Affairs 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Provide global learning opportunities for alumni through DC international programs. 	<ul style="list-style-type: none"> Work with International Office to investigate opportunities for alumni to participate in global learning opportunities. Q4 	<ul style="list-style-type: none"> Associate Vice-president, Development and Alumni Affairs 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Continue to focus on improving and promoting alumni benefits with alumni and graduating students. 	<ul style="list-style-type: none"> Increase number of benefits by 20% with a specific focus on provincial/national benefits. Q4 Increase revenue from affinity programs by 5%. Q4 	<ul style="list-style-type: none"> Associate Vice-president, Development and Alumni Affairs 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Pilot Alumni Mentorship activities. 	<ul style="list-style-type: none"> Pilot mentorship program for Indigenous students. Q3 Investigate informal mentorship options. Q3 	<ul style="list-style-type: none"> Associate Vice-president, Development and Alumni Affairs 	<ul style="list-style-type: none"> 	

2018-2019 Business Plan Scorecard

Objective	Action	Measurement/Milestone	Lead	Update on Actions	Status
	<ul style="list-style-type: none"> Develop alumni-focused support system for students. 	<ul style="list-style-type: none"> Alumni “kind mail” program is implemented in time for exam week. Investigate possibility of an “overcoming barriers” event where alumni share stories with students. Q2 	<ul style="list-style-type: none"> Associate Vice-president, Development and Alumni Affairs 	<ul style="list-style-type: none"> 	
6. Increase alumni presence on campus.	<ul style="list-style-type: none"> Develop and introduce reunion/homecoming opportunities. 	<ul style="list-style-type: none"> Implement “reunion in a box” by end of Q2. Determine feasibility of offering reunion opportunities as an “add-on” to events already happening on campus. Q3 	<ul style="list-style-type: none"> Associate Vice-president, Development and Alumni Affairs 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Develop new ways to recognize and promote notable alumni. 	<ul style="list-style-type: none"> Implement a communications plan that promotes alumni accomplishments/events through digital signage and other creative displays on campus by end of Q3. 	<ul style="list-style-type: none"> Associate Vice-president, Development and Alumni Affairs 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Host alumni/global classroom event. 	<ul style="list-style-type: none"> Global alumni event in new Global Class. Consider tying into opening of Centre for Collaborative Education (CFCE). Q3 	<ul style="list-style-type: none"> Associate Vice-president, Development and Alumni Affairs 	<ul style="list-style-type: none"> 	

2018-2019 Business Plan Scorecard

OUR PEOPLE

Goal: To optimize the experience and expertise of our people and help them make the best possible contribution toward the student experience. We will:

- Improve communication across all levels of the college to better facilitate co-operation, collaboration and a culture of service.
- Continue to grow diversity in our workforce to reflect our student body and community.
- Cultivate and reward employee engagement, creativity and innovation.
- Invest in the professional development and personal wellbeing of our employees.

Objective	Action	Measurement/Milestone	Lead	Update on Actions	Status
1. Support employee development.	<ul style="list-style-type: none">• Promote professional development for faculty learning updated technologies.	<ul style="list-style-type: none">• Track and continue to provide learning opportunities to support faculty needs and integration of emerging technologies.• Provide workshops on videowall usage and encourage adoption of technology.• Continue to upgrade and update WebCOT.• Roll out and support new DC Connect Refresh (implement by May 2018).	<ul style="list-style-type: none">• Vice-President, Academic	<ul style="list-style-type: none">•	
	<ul style="list-style-type: none">• Execute action plans in response to Employee Engagement Survey.	<ul style="list-style-type: none">• Successful implementation of at least three action plan items related to the Employee Engagement survey including but not limited to: Introductory courses on Lynda.com, collaboration with HR to deliver sessions on improving employability skills, and indigenizing the campus through cultural safety training sessions.	<ul style="list-style-type: none">• Vice-President, Student Affairs	<ul style="list-style-type: none">•	

2018-2019 Business Plan Scorecard

Objective	Action	Measurement/Milestone	Lead	Update on Actions	Status
	<ul style="list-style-type: none"> Launch a Diversity Community of Practice 	<ul style="list-style-type: none"> Launch an online community practice to support faculty in areas of diversity, inclusion and equity. Target – 50 participants. 	<ul style="list-style-type: none"> Vice-President, Student Affairs Chief Administrative Officer 	<ul style="list-style-type: none"> 	
2. Review and revise business practices to ensure Employment Standards Act (ESA) compliance and implementation of provisions of Bill 148	<ul style="list-style-type: none"> Implement provisions of new academic collective agreement. 	<ul style="list-style-type: none"> Prepare and maintain partial load registry, adjust service accrual, and provide training to academic leaders. 	<ul style="list-style-type: none"> Chief Administrative Officer 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Review and revise business practices to ensure compliance with ESA and Bill 148. 	<ul style="list-style-type: none"> Implement minimum wage adjustments, record keeping, leave provisions, public holiday and vacation pay in accordance with the terms and timelines of the ESA and Bill 148. 	<ul style="list-style-type: none"> Chief Administrative Officer 	<ul style="list-style-type: none"> 	
3. Collaborate with Corporate Council members to enhance relationships with potential prospects.	<ul style="list-style-type: none"> Collaborate on events that involve employers. 	<ul style="list-style-type: none"> Develop a proactive plan to collaborate on new and participate in existing opportunities to engage and involve employers. Participate in at least 3 new events, that Alumni has not been associated with before. 	<ul style="list-style-type: none"> Associate Vice-president, Development and Alumni Affairs 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Develop joint “road show” with Corporate Council members to grow relationships with clients and donors. 	<ul style="list-style-type: none"> Hold joint meetings with CTS clients and prospective donors. Q2 Investigate cross promotion opportunities with ORSIE and International departments. Q3 	<ul style="list-style-type: none"> Associate Vice-president, Development and Alumni Affairs 	<ul style="list-style-type: none"> 	

2018-2019 Business Plan Scorecard



OUR BUSINESS

- Goal:** To manage resources responsibly and ensure that we are financially and environmentally sustainable, demonstrate good governance, and are leaders in the support of outstanding teaching and learning. We will:
- Offer quality programs, services and systems that modernize, support and grow our business.
 - Maximize resources and processes in all aspects of our business oversight and leadership to achieve financial sustainability.
 - Connect our objectives with economic, social and environmental policy perspectives that support the wellbeing of our local, provincial, national and international community.
 - Expand our reputation among the local and global community.

Objective	Action	Measurement/Milestone	Lead	Update on Actions	Status
1. Implement Strategic Mandate Agreement	<ul style="list-style-type: none">• Align College business plan activities with the Ministry of Advanced Education and Skills Development’s (the Ministry) priorities. <p>Strategic Mandate Agreement 2 (SMA2) priorities:</p> <ul style="list-style-type: none">• Student Experience• Innovation in Teaching and learning Excellence• Access & Equity• Research Excellence• Innovation, Economic Development and Community Engagement	<ul style="list-style-type: none">• As reported on in the SMA Report Back prepared by ORSIE.	<ul style="list-style-type: none">• President’s Office• Vice-president, Academic	<ul style="list-style-type: none">• 	

2018-2019 Business Plan Scorecard

Objective	Action	Measurement/Milestone	Lead	Update on Actions	Status
2. Provide college system leadership	<ul style="list-style-type: none"> Align business plan activities with appropriate CICAN and Colleges Ontario (CO) advocacy initiatives, supporting projects and sharing information. 	<ul style="list-style-type: none"> Where beneficial, align business plan to provincial priorities. Chair Colleges Ontario effective July 1, 2018. Actions in strategic government relations plan provide support for DC and the college system. 	<ul style="list-style-type: none"> President's Office 	<ul style="list-style-type: none"> 	
3. Complete Capital projects on time and on budget.	<ul style="list-style-type: none"> Complete Athletic field renovations: Vaso's Field. 	<ul style="list-style-type: none"> Artificial turf is installed by August 10, 2018 and overall project is completed by August 24, 2018. 	<ul style="list-style-type: none"> Vice-President, Student Affairs & Chief Administrative Officer 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Implement Greenhouse Gass Reduction Program: Build new Geothermal plant with funds received from the province. 	<ul style="list-style-type: none"> Engineering and development work has begun, scheduled for completion by March 2019. 	<ul style="list-style-type: none"> Chief Administrative Officer 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Complete new facility (architectural) renewal program, effectively updating and modernizing space on campus. 	<ul style="list-style-type: none"> Implementation of L&B Wing renovations in summer 2018. Design work for D Wing for 2019 implementation. Simcoe Village 1st floor continuation of administrative space – IT relocation from 2nd floor D Wing. 	<ul style="list-style-type: none"> Chief Administrative Officer 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Prepare parameters and budget for 2019-2020 capital facility plan. 	<ul style="list-style-type: none"> Plan is prepared and approved by the end of this fiscal year. 	<ul style="list-style-type: none"> Chief Administrative Officer 	<ul style="list-style-type: none"> 	

2018-2019 Business Plan Scorecard

Objective	Action	Measurement/Milestone	Lead	Update on Actions	Status
4. Update Information technology Systems to Improve Student Experience	<ul style="list-style-type: none"> Install video wall in CFCE. 	<ul style="list-style-type: none"> Implement video wall. Link video wall with other audio-visual equipment in Global Classroom. Go live. 	<ul style="list-style-type: none"> Chief Administrative Officer 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Implement new firewall. 	<ul style="list-style-type: none"> Select equipment and procure equipment. Implement security settings and install equipment on network. Go live. 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Upgrade Banner administrative applications. 	<ul style="list-style-type: none"> Deliver baseline Banner 9 administrative applications for initial user familiarization, navigational training, and process evaluation. Deliver testing system with Banner 9 administrative applications integration for extended functional evaluation. Complete user testing. Go live. 	<ul style="list-style-type: none"> Chief Administrative Officer 	<ul style="list-style-type: none"> 	
5. Support Effective College Governance	<ul style="list-style-type: none"> Ensure compliance against legislated requirements. 	<ul style="list-style-type: none"> Implement payroll reporting requirements for Bill 148 and Employment Standards Act (ESA). Ensure Procurement tendering processes are compliant with the new CFTA – Canada Free Trade Agreement and CETA – Canadian European Trade 	<ul style="list-style-type: none"> Chief Administrative Officer 	<ul style="list-style-type: none"> 	

2018-2019 Business Plan Scorecard



Objective	Action	Measurement/Milestone	Lead	Update on Actions	Status
		Agreements by July 1, 2018.			
	<ul style="list-style-type: none">Implement DC-Wide Records Management Best Practices.	<ul style="list-style-type: none">The Records Management Office will conduct a Records Compliance Audit to establish the current level of compliance for each department in the College.The Records Management Office will work with each department to develop a plan to transition Records Compliance to a minimum of a Level 3 Essential Compliance.The Records Management Office will work with the School of Health and Community Services and IT Services on a Pilot Project to implement Banner Document Management System (BDMS) for their Student Records.The Records Management Office will work with the CFO to continue to implement BDMS for Invoices, Cheque Copies and Journal Vouchers and the School of Health.	<ul style="list-style-type: none">Chief Administrative Officer	<ul style="list-style-type: none">	

2018-2019 Business Plan Scorecard

Objective	Action	Measurement/Milestone	Lead	Update on Actions	Status
	<ul style="list-style-type: none"> Participate in and support Canada Anti-spam Legislation (CASL) audit and process outcomes. 	<ul style="list-style-type: none"> Develop a process and procedures document for the department. Q3 	<ul style="list-style-type: none"> Chief Administrative Officer Associate Vice-President, Development and Alumni Affairs 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Improve and grow use of Raiser's Edge as Content Records Management (CRM) for Office of Development & Alumni Affairs and President's Office. 	<ul style="list-style-type: none"> President's Office is trained and using R/E. Q1 Banner and R/E are integrated. Q4 	<ul style="list-style-type: none"> Associate Vice-President, Development and Alumni Affairs 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Continue to foster collaborative opportunities with UOIT. 	<ul style="list-style-type: none"> Report on pathways programs. Review work description documents (WDD). Hold joint executive meetings with the two Boards. Explore joint marketing opportunities. 	<ul style="list-style-type: none"> President's Office 	<ul style="list-style-type: none"> 	
6. Support Effective Board Governance	<ul style="list-style-type: none"> Support new governors in orientation and mentorship. 	<ul style="list-style-type: none"> Implement mentorship program for new governors Provide orientation and support for new governors through good governance certificates, conferences and planned board events. 	<ul style="list-style-type: none"> President's Office 	<ul style="list-style-type: none"> 	

2018-2019 Business Plan Scorecard

Objective	Action	Measurement/Milestone	Lead	Update on Actions	Status
	<ul style="list-style-type: none"> Provide board overview of political (party) priorities post election. 	<ul style="list-style-type: none"> Government relations strategy to report on elections and provide presentation pre-election about party positions – priorities and keep Board informed of political events and initiatives afterward. 	<ul style="list-style-type: none"> President's Office 	<ul style="list-style-type: none"> 	
7. Improve supports and processes development of Administrative Operations	<ul style="list-style-type: none"> Continue to improve operational processes 	<ul style="list-style-type: none"> Implement E-transfers for student refunds by June 30, 2018. Develop Advance Contract Award Notifications (ACAN) process by June 30, 2018. Implement the forecasting function within the FAST Budget Module by August 31, 2018. 	<ul style="list-style-type: none"> Chief Administrative Officer 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Implement College's records retention policy and sustainability initiatives. 	<ul style="list-style-type: none"> Create a tendering documents repository on the network by June 1, 2018. Implement BDMS for Accounts Payable invoices by June 20, 2018. 	<ul style="list-style-type: none"> Chief Administrative Officer 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Relocate Corporate Training Services including Truck Driving Program from Whitby campus to alleviate space constraints on campus. 	<ul style="list-style-type: none"> Secure space offsite. 	<ul style="list-style-type: none"> Chief Administrative Officer Vice-President, Academic 	<ul style="list-style-type: none"> 	

2018-2019 Business Plan Scorecard

Objective	Action	Measurement/Milestone	Lead	Update on Actions	Status
8. Continue Financial sustainability practices and priorities.	<ul style="list-style-type: none"> Maintain financial stability and profitability. 	<ul style="list-style-type: none"> Achieve a balanced budget for 2018-19. 	<ul style="list-style-type: none"> Chief Administrative Officer 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Identify strategies to reduce operating expenditures. 	<ul style="list-style-type: none"> Obtain Statement of Value (SOV) appraisals for Whitby campus and Simcoe residence to further reduce insurance premiums. 	<ul style="list-style-type: none"> Chief Administrative Officer 	<ul style="list-style-type: none"> 	
9. Improve environmental sustainability efforts	<ul style="list-style-type: none"> Create an environmental sustainability plan that lays out goals and efforts to be achieved that focus on improving environmental sustainability and reducing greenhouse gas emissions on campus. 	<ul style="list-style-type: none"> Develop and approve an Environmental Sustainability plan by the end of the fiscal year. 	<ul style="list-style-type: none"> Chief Administrative Officer 	<ul style="list-style-type: none"> 	
10. Complete Building Something Amazing Campaign	<ul style="list-style-type: none"> Raise additional \$750,000 as part of the capital campaign. 	<ul style="list-style-type: none"> \$5,000,000 goal is reached. Q1 	<ul style="list-style-type: none"> Associate Vice-president, Development and Alumni Affairs 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Complete stewardship plan for Build Something Amazing (BSA) Donors. 	<ul style="list-style-type: none"> Donor Wall complete Q2 Naming signage complete Q2 Building opening event Q2 	<ul style="list-style-type: none"> Associate Vice-president, Development and Alumni Affairs 	<ul style="list-style-type: none"> 	

2018-2019 Business Plan Scorecard

Objective	Action	Measurement/Milestone	Lead	Update on Actions	Status
11. Develop a multi-faceted annual giving campaign.	<ul style="list-style-type: none"> Develop Strategies to grow participation in PayDay Lottery. 	<ul style="list-style-type: none"> 10% increase in Payday Lottery participation. Q3 	<ul style="list-style-type: none"> Associate Vice-president, Development and Alumni Affairs 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Introduce “highest needs” campaign to encourage ongoing contributions from employees, retirees and volunteers. 	<ul style="list-style-type: none"> Renew BSA participants and migrate to “highest needs” Q1 Promotion materials developed. Q1 Communication plan developed. Q1 	<ul style="list-style-type: none"> Associate Vice-president, Development and Alumni Affairs 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Develop multi-channel alumni campaign – micro campaigns . Civil Engineering Strategy E-gaming Strategy Cannabis Partners Strategy 	<ul style="list-style-type: none"> E-campaign plan developed. Q3 Opportunities to give included in all alumni communication. Q2 	<ul style="list-style-type: none"> Associate Vice-president, Development and Alumni Affairs 	<ul style="list-style-type: none"> 	

2018-2019 Business Plan Scorecard

OUR COMMUNITY

Goal: To contribute and respond to the economic, social and environmental well-being of our community.

We will:

- Develop new programs and services to meet the evolving demands of the job market and our students.
- Celebrate and support advances in entrepreneurship, innovation and sustainability.
- Advance our role as a community hub in Durham.
- Demonstrate leadership in volunteerism and giving back to our community.
- Strengthen our industry and community partnerships, including our campus partner the University of Ontario Institute of Technology.



Objective	Action	Measurement/Milestone	Lead	Update on Actions	Status
1. Support partners in reaching their community goals	<ul style="list-style-type: none">• Partner with community Justice HUB to provide an accessible, central location for legal and social service agencies to provide wrap-around services to low income and precariously employed residents.	<ul style="list-style-type: none">• Implementation of a 14 week semester placement for paralegal students at the HUB.• Services are provided to residents in specific areas of paralegal practice, under the supervision of licensees of the Law Society of Ontario.	<ul style="list-style-type: none">• Vice-President, Academic	<ul style="list-style-type: none">•	
	<ul style="list-style-type: none">• Collaborate with Durham Region Social Services, Youth Coaching Program, Project Youth Opportunities, Enactus and York/Durham Crown Ward Education Championship Team.	<ul style="list-style-type: none">• Provide financial education workshops.• Provide tools for students to develop successful financial plans and objectives for funding their post-secondary choices.	<ul style="list-style-type: none">• Vice-President, Student Affairs	<ul style="list-style-type: none">•	
	<ul style="list-style-type: none">• Partnership with Community Care Centre Durham to deliver dental services to low income families.	<ul style="list-style-type: none">• Establish partnership and scope requirements and needs.	<ul style="list-style-type: none">• Vice-President, Academic	<ul style="list-style-type: none">•	

2018-2019 Business Plan Scorecard

Objective	Action	Measurement/Milestone	Lead	Update on Actions	Status
	<ul style="list-style-type: none"> Establish and strengthen employment support services for job seekers and incentives for employers. 	<p>Meet MAESD targets for engaging in community employment efforts.</p> <ul style="list-style-type: none"> Provide \$1.3 million of incentive dollars to employers for hiring and training clients in the Durham Region and Northumberland County. Continue to operate employment support services in Port Hope, Bowmanville, Oshawa, Port Perry, Uxbridge and Beaverton. Establish a formal MOU with Brock Township to deliver employment services in Beaverton. 	<ul style="list-style-type: none"> Vice-president, Student Affairs 	<ul style="list-style-type: none"> 	
2. Advance applied research partnerships	<ul style="list-style-type: none"> Successfully complete Year One of the five-year NSERC grant supporting the AI Hub. 	<ul style="list-style-type: none"> In our first year of utilizing this funding we hope to accomplish the following: Number of companies partnering with the AI Hub: 7 Number of students engaged in AI Hub projects: 21 Number of students participating in AI Hub workshops: 35 Number of AI Hub funded projects completed: 6 Number of new or existing products/processes/services 	<ul style="list-style-type: none"> Vice-President, Academic 	<ul style="list-style-type: none"> 	

2018-2019 Business Plan Scorecard

Objective	Action	Measurement/Milestone	Lead	Update on Actions	Status
		developed and/or improved through AI Hub participation: 6			
	<ul style="list-style-type: none"> Develop new applied research and service collaborations with craft brewers through the Centre for Craft Brewing Innovation (CCBI). 	<ul style="list-style-type: none"> Number of CCBI funded projects completed: 2 Number of CCBI fee-for-service projects completed: 4 Submission of an NSERC equipment grant proposal for additional lab testing equipment. 	<ul style="list-style-type: none"> Vice-President, Academic 	<ul style="list-style-type: none"> 	
3. Strengthen alumni relations and implement new community outreach procedures.	<ul style="list-style-type: none"> Update the Community Relations policy and procedure; communicate changes to all employees. 	<ul style="list-style-type: none"> Community Relations policy and procedure is revised and approved by DCLT by September 2018. An education session is offered to increase awareness of the portfolio and the policy and procedure. 	<ul style="list-style-type: none"> Associate Vice-president, Development and Alumni Affairs 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Develop process to analyze data in order to determine return on investment for various Community Outreach activities. 	<ul style="list-style-type: none"> Raiser's Edge (R/E) is used to report on Community Outreach activities in a number of ways: geographic scope, event type, event category, number of impressions, cost. Reports finalized by Q3. 	<ul style="list-style-type: none"> Associate Vice-president, Development and Alumni Affairs 	<ul style="list-style-type: none"> 	

2018-2019 Business Plan Scorecard

Objective	Action	Measurement/Milestone	Lead	Update on Actions	Status
	<ul style="list-style-type: none"> Prepare community outreach report for key stakeholders including: DCLT, Board of Governors, employees, community, and government. 	<ul style="list-style-type: none"> Stakeholders are made aware of DC Community Outreach activities and impact through a variety of channels including presentations, written reports, promotional materials. Annual reports to DCLT, BOG and employees. Information also included in DC public annual report. 	<ul style="list-style-type: none"> Associate Vice-president, Development and Alumni Affairs 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> C+M to provide targeted content as it relates to various Community Outreach activities. 	<ul style="list-style-type: none"> Generic DC ads are replaced by strategic program-related ads (e.g. new degree program ad in Lakeridge Health Gala program). 	<ul style="list-style-type: none"> Associate Vice-president, Development and Alumni Affairs Chief Administrative Officer 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Implement web portal for alumni to sign up for all volunteer opportunities at DC. 	<ul style="list-style-type: none"> All volunteer opportunities are promoted and simple sign-up processes are in place. 	<ul style="list-style-type: none"> Associate Vice-president, Development and Alumni Affairs 	<ul style="list-style-type: none"> 	
	<ul style="list-style-type: none"> Investigate and determine benefits of “recognition program” for alumni who volunteer with DC. 	<ul style="list-style-type: none"> Plan for alumni volunteer recognition program completed for implementation in 2019/20. 	<ul style="list-style-type: none"> Associate Vice-president, Development and Alumni Affairs 	<ul style="list-style-type: none"> 	

2018-2019 Business Plan Scorecard



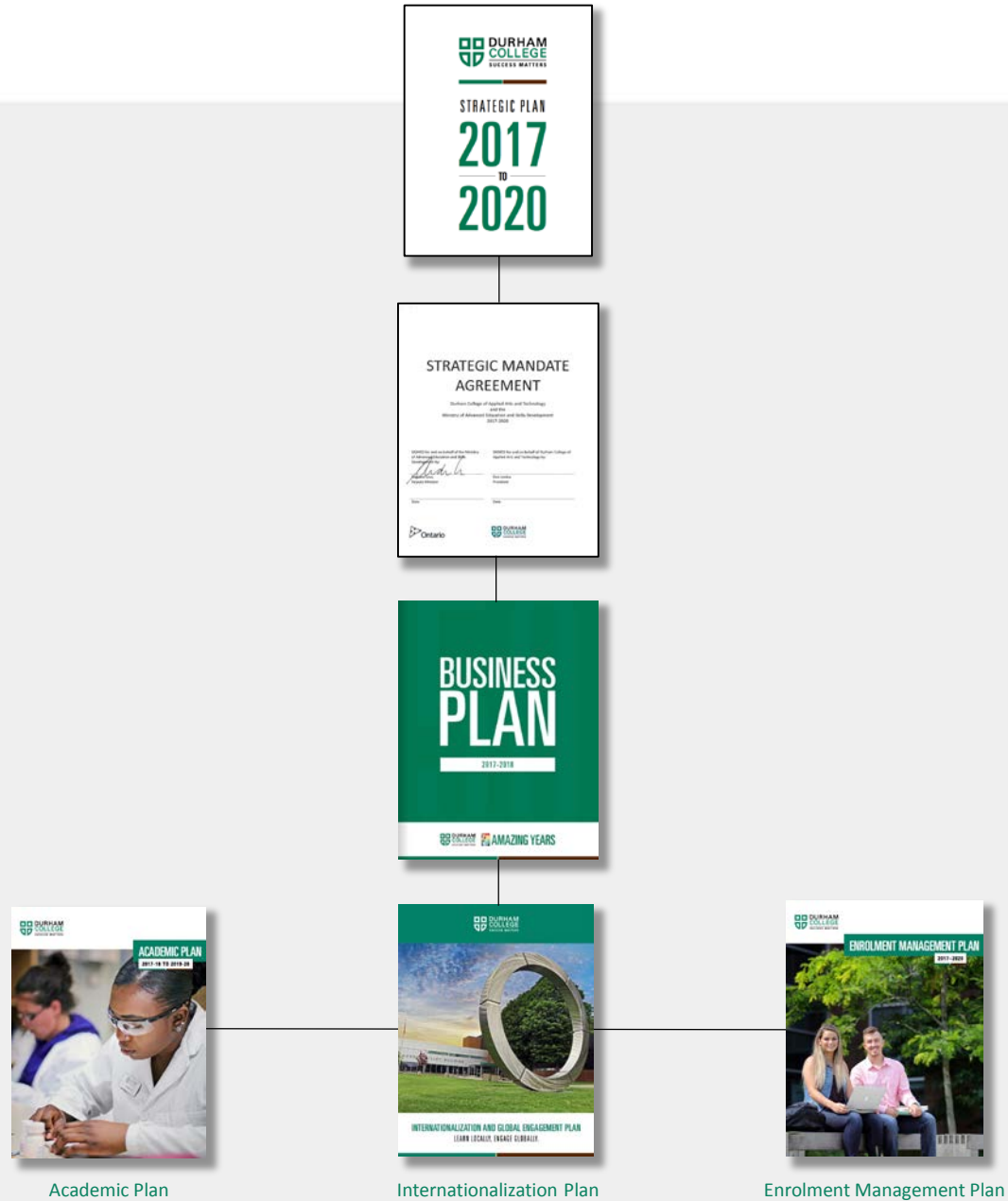
Objective	Action	Measurement/Milestone	Lead	Update on Actions	Status
4. Enhance DC's community profile through the Corporate Council	<ul style="list-style-type: none">• Create enhanced landing page for Corporate Council on DC corporate website.• Create internal marketing strategy to enhance campus community awareness of DC's services for business and industry.	<ul style="list-style-type: none">• Launch new landing page create meda release (announcing the launch to generate employer traffic to the new page) track page visits and traffic to employer services page.• Create ICE page for Corporate Council and announcements.	<ul style="list-style-type: none">• Chief Administrative Officer	<ul style="list-style-type: none">•	

2018-2019 Business Plan Scorecard



- On Track for Completion (75 to 99 percent chance of completion)
- Risk of Delay (50 to 74 percent chance of completion)
- Delayed (0 to 50 percent chance of completion)
- Completed (100 percent completed)

On Track
At Risk
On Hold
Delayed
Completed



Academic Plan

Internationalization Plan
AGENDA PAGE 144

Enrolment Management Plan

DRAFT - Board Mentorship Program

To assist with onboarding new board members, current board members may be requested to volunteer as a mentor.

The Mentor System

The mentor system matches new board members with experienced board members for a period of 6 to 12 months with a goal to provide new board members with an informal point of contact regarding the board of governors (e.g. culture, history, process).

The Nominating Committee will assign mentors from experienced board members who volunteer during the annual discussion of Standing Committee appointments.

Role and Responsibilities of the Mentor:

1. Meet (or connect) with the new board member before the first board meeting to get to know the new member and communicate what to expect.
2. Serve as coach during the meetings; sit next to the new board member and provide additional background information, translate terms and acronyms, and help the new board member navigate through the board materials.
3. Confer between meetings; debriefing after meetings is especially important for new board members who may be looking for some additional information, a bit of history, or the perspective that a long-time board member can bring.
4. Be available to answer questions by email or in-person.
5. The relationship should be open, confidential, positive and supportive.