



York University
Board of Governors

Notice of Meeting
Monday, October 5, 2009
3:00 pm to 6:00 pm

5th Floor, York Research Tower
Keele Campus

AGENDA

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CONSENT AGENDA

1. Minutes of the Board of Governors Meeting of June 23, 2009

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Harriet Lewis
Secretary



Board of Governors

York University
Board of Governors

Minutes of the Open Session of the Meeting of
Tuesday, Jun 23, 2009
N109 Schulich School of Business
4700 Keele Street, Toronto, Ontario

<i>Present:</i>	<i>Regrets:</i>	<i>Others:</i>	
Marshall Cohen, Chair	Guy Burry	James Allan	Krisna Saravanamuttu
Paul Cantor	ImogenCoe	Cynthia Archer	Stan Shapson
Peter Currie	David Denison	Badiou	Barbara Sellers-Young
Terrie-Lynne Devonish	Patrick LeSage	Bruno Bellissimo	Rob Tiffin
Susan Dieleman	Andrina Lever	Gary Brewer	
Julia Foster	Mark Lievonon	Glen Craney	<i>Cheryl Underhill</i>
Martin Garcia	Anna Porter	Bob Drummond	<i>Assistant Secretary</i>
Rosemary Heneghan	David Tsubouchi	Sheila Embleton	
Debbie Jamieson		Leona Fields	<i>Elaine MacRae</i>
Zahir Janmohamed		Richard Fisher	<i>Board Coordinator</i>
Bonnie Kettel		Bob Gagne	
Kuttimol Kurian		Nimmy George	
Sandra Levy		Celia Haig-Brown	
Robert Lewis		Ozench Ibrahim	
KenNg		Laurie Lawson	
Randall Oliphant		Andrea Lucas	
Samuel Schwartz		Paul Marcus	
Mamdouh Shoukri		Ken McRoberts	
Emmett Soldati		Patrick Monahan	
		Ijade Maxwell-Rodriques	
Honorary Governors		Trudy Pound-Curtis	
Tim Price		Penelope Reed-Doob	
		Jeremy Salter	
<i>Harriet Lewis, Secretary</i>			

II. OPEN SESSION

1. Chair's Items

Decisions taken in the closed session

The following decisions taken by the Board in the *closed* session were announced:

- the naming of the Governance Room in the York Research Tower the "*Marshall A. Cohen Governance Room*".

- the appointment of Marshall Cohen and Peter Currie as Governors;
- the four year reappointment to the Board of Terrie-Lynne Devonish, Julia Foster, Deborah Hutton and Kenneth Ng commencing July 1, 2009;
- the four year appointment of Ozench Ibrahim as a Governor commencing July 1, 2009;
- the two year appointment of Kevin McKague as the student nominee to the Board of Governors commencing July 1, 2009;
- the two year appointment of Professor Penelope Reed Doob as the Senate nominee to the Board of Governors commencing July 1, 2009;
- the two year appointment of Billy Gyamfi as the non-academic staff employee nominee to the Board of Governors for a term commencing July 1, 2009;

Report of action on behalf of the Board

The Board received the report of the Executive Committee who acted on behalf of the Board to the settlements reached with each of CUPE 3903 and ruOE.

2. President's Items

Remarks

President Shoukri provided reflections on the challenging year, touching the following issues:

- the awarding of \$95 million funding for two core capital projects out of the Knowledge Infrastructure program and the considerable benefits they carry for the University
- the restructuring of senior management to align resources and the achievement of University priorities
- the University's recent confirmation of the principles of academic freedom and a campus environment free from harassment and intimidation
- the state of the University's budget and the need to continue plans in the context of the financial realities
- recent successes of York students and alumni

Student Representative Roundtable

Ms Dieleman and Mr Soldati provided the annual year end report on the work of the *Student Representative Roundtable*; a copy of the presentation slides is filed with these Minutes. Among the issues discussed at the Roundtable this past year were the Task Force on Student Life, Learning and Community, library redevelopment and York's 2008 NSSE survey results. For 2009-2010 the SRR will continue to provide advice and input into university decision making, be a forum for feedback and discussion of pan-University issues, and it will strive have the Roundtable group active year long. It was suggested that the SRR consider the option of on-line meetings to facilitate a year-long agenda.

3. York University Foundation: Annual Report to the Board

The President and CEO of the York University Foundation, Mr Marcus, presented the Foundation's Annual Report to the Board of Governors. A copy of the presentation slides is filed with these Minutes.

To date \$185 million has been raised/pledge towards the \$200 million campaign goal; the funds are supporting students, endowed Chairs and Professorships and building projects. The global financial crisis, however, is presenting a challenging climate for fundraising. Nationally there has been a significant decline in private donations and York is experiencing that trend as well. In

response strategies have shifted to "scenario" planning and ensuring the Foundation remains flexible to respond to and capitalize on directions in the field.

Mr Marcus expressed his appreciation to President Shoukri, Mr Cohen and Mr Price for their continuing leadership and to Ms Devonish for her commitment as a campaign Co-Chair. Mr Burry was also thanked for his considerable efforts in support of the Chair's Cup golf tournament again this year which, together with government matching funds, raised over \$600,000 for graduate scholarships.

4. Appointments, Tenure and Promotion

Documentation circulated with the agenda was *noted* by Mr Schwartz. It was duly *agreed* to approve the President's June 2009 report on Appointments, Tenure and Promotion.

5. Capital Projects

5.1 *Service Tunnel Restoration and Maintenance Program*

Documentation circulated with the agenda was referred to by Mr Currie. This is a necessary project to ensure safety of the tunnel infrastructure. It was duly *agreed*,

That the Board of Governors approve a capital allocation of \$8.5 million for critical restoration of tunnel structural leakage and concrete deterioration and to address asbestos in ~~the~~ tunnel piping.

5.2 *Osgoode Renovation and Expansion*

Documentation circulated with the agenda was *noted* by Mr Currie. The scope of the project has been increased from the original design due to the extent of renovations and deferred maintenance work necessary to the existing building. No debt financing is necessary to fund the project. It was duly *agreed*,

That the Board of Governors approve a capital allocation \$50 million for the design, architectural development and construction work related to a major renovation and expansion of the Osgoode Hall Law School building at the Keele campus.

5.3 *Life Sciences Building*

Governors were referred to the documentation circulated with the agenda. The proposed building is one of the projects for which the University received funding from the Knowledge Infrastructure program. No debt financing is required for the building. It was duly *agreed*,

That the Board of Governors approve a capital allocation of \$70 million to construct a new Life Sciences Building at the University's Keele campus.

6. Budget Plan

6.1 *2009-2012 Budget Plan*

The Vice-President Finance & Administration presented an update to the budget plan. The net change in the projected deficit from the proposed plan from the June 2008 plan is minus \$8 million dollars due to the costs of the strike. As a result the revised cumulative deficit in the proposed plan is minus \$1.3 million. On a positive note, the summer student enrolments are close to target and the FW'09 first-year enrolments are more promising than early indications; upper

year student retention remains an area of concern. The planned Faculty budget cuts are tracking well and several initiatives are underway to deal with the ongoing budget challenges in the new Faculty of Liberal Arts and Professional Studies.

6.2 *Approval of the 2009-2010 Budget Plan*

Documentation circulated with the agenda was noted. It was duly *agreed*,

That the Board of Governors approve the proposed Three-year Budget Plan for 2009-10 to 2011-12.

7. 2008-2009 Audited Financial Statements

7.1 *Presentation of the Audited Financial Statements*

Vice-President Brewer reviewed for the Committee the financial statements, noting the four significant changes from the previous year; the impact of the CUPE 3903 strike on reporting revenue for fiscal 2009; the change in approach to reporting endowments; the Archives building lease; and the CICA Handbook changes. The increase in net asset deficit from \$35 million in fiscal 2008 to \$120 million in fiscal 2009 primarily results from the strike delayed collection of tuition revenue; the amount will be reduced by \$55 million in the 2010 statements. The external auditors, Ernst & Young LLP, confirmed its concurrence with the statements.

7.2 *Approval of the 2008-2009 Audited Financial Statements*

It was duly *agreed*,

That the York University Financial Statements for the year ended April 30, 2009 be approved.

8. Fee Approvals

8.1 *Domestic and International (Undergraduate and Graduate) Fees 2009-2010*

Documentation circulated with the agenda was *noted* by Mr Currie. The proposed increases correspond to increased operating costs and are aligned with the increases at other universities in the province. With one dissenting vote recorded, it was duly *agreed* that,

The tuition fees for the 2009-2010 year be approved as set out in the schedule of proposed fees attached to the agenda.

8.2 *Master in Financial Accountability*

Documentation circulated with the agenda was *noted* by Mr Currie. With one dissenting vote recorded, it was duly *agreed* that,

The Board of Governors approve the fees for the new Master's degree in Financial Accountability (MFAc), to be offered by the new Faculty of Liberal Arts & Professional Studies through the Faculty of Graduate Studies, at a \$25,000 program fee for 2009-2010 (excluding centrally collected ancillary and student referenda fees). This recommendation is contingent upon program approval by the Ministry.

The Board of Governors approve the tuition fee rate for International Students at the Domestic Student rate plus \$10,000 per year, and that Part-time fees are be set at

50% of full-time fees per term. Students requiring an extension beyond the specified number of terms will pay the standard part-time graduate term fee.

8.3 *Master of Finance*

With one dissenting vote recorded, it was duly *agreed* that,

That the fees for the new Master of Finance (MF) degree be consistent with the fees for the Master of Business Administration program, as set out below;

MBA/JIMBA/MPA- Tuition Fee Per Term (*includes centrally collected ancillary and student referenda fees*)

Full-time	2009-10 Recommended Fee
Domestic - Entering Year	11,904.00
International - Entering Year	15,000.00

8.4 *Ancillary Fees for 2009-2010*

With one dissenting vote recorded, it was duly *agreed* that,

That the Board of Governors approve the following 2009-2010 rates for centrally-collected ancillary fees for undergraduate students and students in the graduate professional programs listed below:

- an increase from \$17.62 to \$18.15 per credit; and
- an increase from \$264.14 to \$272.06 per term for full-time students in programs for which this fee is charged on a per term basis (with part-time students to pay 50% of the full-time fee).

The adjusted ancillary fees apply to students in the following graduate professional programs:

Master of Business Administration (MBA)
 International MBA (JMBA)
 Master of Public Administration (MPA)
 Executive Master of Business Administration (EMBA)
 Diploma in Financial Engineering
 Master of Laws/Professional Development Program (LLM/PDP)
 Master of Human Resources Management (MHRM)
 Master of Public Policy, Administration and Law (MPPAL)
 Master of Laws in Business for International Students
 Master of Design (MDes)
 Master of Finance (MFin)
 Master of Financial Accountability (MFAc)

8.5 *Student Referenda Fees*

With one dissenting vote recorded, it was duly *agreed* that,

That the Board of Governors approve the following new fee levies, effective September 1, 2009:

- \$0.11 per credit for Glendon undergraduate students as a levy to support the Glendon Music Ensemble;
- \$0.90 per credit for Glendon undergraduate students for the Glendon Community Cooperative - this levy to count as the Glendon student's membership fee for the Cooperative;
- an increase to the Graduate Students' Lounge levy of \$3.00 per term for a total levy of \$5.00 per term for full-time graduate students; and an increase of \$1.50 per term for a total of \$2.50 per term for part-time graduate students; and that the new fees be adjusted annually to increase or decrease in accordance with the Toronto Consumer Price Index (CPI). (Excluded are graduate students in the MBA, iMBA, **MPA**, Part-time Financial Engineering Diploma, and the Part-time Professional LLM programs.)

9. University Policies

9.1 *Annual Approval of the Policy on Occupational Health and Safety*

Documentation was circulated with the agenda. There are no proposed changes to the Policy. It was *agreed* that,

The Board of Governors re-approve the Occupational Health and Safety Policy.

10. Revision to the Protocol for Composition to the Board of Governors

Documentation circulated with the agenda was *noted* by Mr Janmohamed. It was *duly agreed*,

That the Board of Governors approve the revised *Protocol for Composition of the Board of Governors*.

11. Rescinding of the Policy on Retirement and Post-Retirement Employment for Non-Academic Employees

Documentation having been circulated with the agenda, It was *duly agreed* that,

The Board approve that the *Policy on Retirement and Post-Retirement Employment for Non-Academic Employees* and its associated Procedure be rescinded.

12. Committee Reports

The Chairs of the committees presented and spoke briefly to respective information reports from the Executive, Academic Resources, Community Affairs, Finance and Audit, Governance and Human Resources, Land and Property Committees, and Investment.

13. Other Business.

The 2009-2012 time table of Board meetings was received.

On behalf of the Board, Mr Cantor extended deep appreciation to Mr Cohen for his leadership and dedication as Chair of the Board for the past ten years. President Shoukri expressed the appreciation of the University for Mr Cohen's commitment and contributions, and his personal thanks for the support given to him by the Chair.

Mr Cohen thanked the Board for its support and the University staff for its work and efforts throughout the years. He also expressed appreciation for the naming of the new governance room in his honour. He offered best wishes to the Board, the President, the staff and the University going forward, and to Mr Cantor as he assumes the Chair.

There being no other business, the meeting concluded.

MARSHALL COHEN
Chair

LEWIS
Secretary



Board of Governors

EXECUTIVE COMMITTEE

Report to the Board of Governors
at its meeting of October 5, 2009

The Committee met on July 8 and September 29 and in addition to items on the agenda of this meeting, makes the following report for information:

Review of 08/09 Executive Performance and Compensation:

The committee reviewed and commented on the president's overview of the performance of his executive team and his recommendations for their compensation, including comparatives for some vice presidential positions at other universities. We accepted his recommendation that executives would forego receipt of a base salary increase and would reduce the rate of the variable compensation in light of economic exigencies.

Review of the President's Performance:

The committee received the president's Annual Progress Report and 2008-2009 Objectives, discussed them in camera and determined his compensation. It was agreed that the committee would provide input to the objectives and that they would be revisited at the September meeting. This was done, and the objectives were agreed to. The President will be presenting these to the Board under his remarks.

Labor Relations Initiative:

The Committee had the opportunity to hear details of the planned consideration by Mr. Jim Thomas of the issues underlying the university's labor unrest, and has received progress reports on other aspects of the university's plans for addressing labor relations matters. Committee members expressed their belief in the importance of this matter.

Roadmap for Moving Forward with Planning:

President Shoukri and Vice President Monahan presented their approach to move forward with the academic initiatives identified by the University Academic Plan. The mandate of Vice President Monahan as the new Provost is to bring focus to academic planning and renewed energy to moving the

plan forward. York's enrolment has not been increasing relative to its potential and this is a function not only of its damaged reputation, but also as a result of its program mix. York has not capitalized on some opportunities and must now position itself to do so by planning and by resolving the barriers posed by its reputation and program mix. Finding a way to accommodate expected GTA growth and to support student demand and government priorities for expansion in the pure and applied sciences is key. To be successful, York needs to have a more solid planning foundation and greater commitment to implement the plan, recognizing that scarce financial resources require hard choices. The outline of the Provost's strategic planning exercise leading to a White Paper and a link to the development of a new University Academic Plan will continue to be shared with this committee as well as Academic Resources.

Risk Management:

The committee has agreed that the monitoring of the university's top ten risks should be assigned to committees as appropriate with the "risk owners" in the management team engaging the committees in the consideration of the amelioration of these risks. The Finance and Audit Committee will continue to monitor the risk landscape on an ongoing basis. The key risks will be presented annually to the Board.

A list of the top 10 risks and short description of each is attached as Appendix A.

Paul Cantor
Chair

FIRST-TIER RISK DEFINITIONS

1. *Financial Resources Risk.* The risk that the University lacks sufficient financial resources to meet its goals and objectives or that these resources are inappropriately allocated.

Financial Markets Risk. Movements in prices, rates, indices, etc., affect the value of the University's financial assets, which may also affect its costs of capital/funding and/or its ability to raise capital/funding (e.g., pension fund, endowments, etc.).

2. *Leadership Risk.* The risk that the University may not be led effectively, which may result in a lack of direction, focus, motivation to perform, credibility and trust throughout the University.
3. *Strategic Labour Relations Risk.* The risk that management of labour relations and related issues will impede achievement of strategic objectives.
4. *Competitor Risk.* The risk that actions of competitors including other universities, colleges and new market entrants affect York's ability to achieve its goals and objectives.
5. *Government Policy Risk.* Changes in funding, regulations and accountability requirements that affect strategic goals and objectives or that create new opportunities or obligations requiring leadership, management and response.
6. *Reputation Risk.* The failure to re-establish, maintain and/or enhance the University's reputation or brand name, including ineffective communication to the appropriate stakeholders.
7. *HR Academic Risk.* The risk that the University will not be able to attract and retain high quality or sufficient academic faculty to fulfill teaching and research objectives in a manner consistent with academic plans, labour relations objectives and collegial governance expectations, including affirmative action and employment equity requirements.
8. *Budget and Planning Risk.* Non-existent, unrealistic, irrelevant and unreliable budget and planning information may cause inappropriate financial conclusions and academic program decisions.
9. *Physical Infrastructure Risk.* The risk of inadequate, inflexible or excess capacity, or inappropriate or deteriorating infrastructure not meeting enrolment, academic and research plans and threatening the University's ability to offer programs and services within budget.

IT Infrastructure Risk. The risk of a decline in functionality/quality or loss of availability of the University's IT technology infrastructures so that they do not serve the operating needs of the University.

10. *Organizational Structure Risk.* An inappropriate or ineffective decision making process, planning or control framework threatens the University's ability to achieve its long-term strategies.

Organizational Alignment Risk. Failure to align process objectives and performance measures with objectives and strategies may result in conflicting, uncoordinated activities throughout the University.

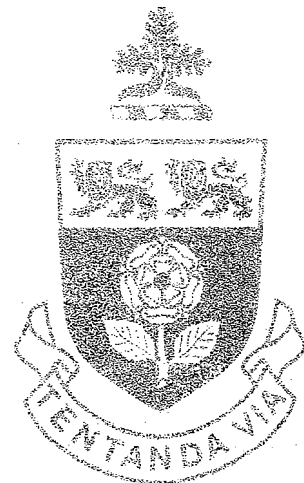
Memo

To: Board of Governors

From: Paul Cantor, Chair

Date: 29 September 2009

Subject: Action taken by the Board Executive Committee on
behalf of the Board under summer authority



The Executive Committee dealt with 3 items of business since the last meeting of the Board of Governors. Pursuant to the authority accorded to it under Article VI, 4(e) of the General Bylaw, the Executive Committee approved the following:

1. Settlement with CUPE 1356-1

Mr. Brewer reported on July 8, 2009 that an agreement had been reached and ratified with CUPE 1356-1. The settlement is within the financial mandate established by the Board. The Executive Committee having been delegated by the Board to oversee labour relations matters and there being some urgency to have the confirmation of these settlements prior to the next meeting of the Board, the committee, acting on behalf of the Board under summer authority, agreed to the settlement reached with CUPE 1356-1.

2. Appointment to the Pension Fund Board of Trustees

The Executive Committee, acting on behalf of the Board under summer authority on July 8, 2009 approved the appointment of Eric Chabeaux Smith to the Pension Fund Board of Trustees as a CUPE 1356-1 nominee, effective April 1, 2009 for a three year term.

3. Settlement with YUFA

Mr. Brewer reported on September 29, 2009 that an agreement had been reached and ratified with the York University Faculty Association (YUFA). The settlement is for a three year period and within the financial mandate established by the Board. The Executive Committee having been delegated by the Board to oversee labour relations matters and there being some urgency to have the confirmation of these settlements prior to the next meeting of the Board, the committee, acting on behalf of the Board under summer authority, agreed to the settlement reached with CUPE 1356-1.

The items were brought forward to the Executive Committee for approval since they were time sensitive for the University.

September 29, 2009

Office of the President

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www.yorku.ca/president

Dear member of the York community,

I have now had the opportunity to review the report of the Task Force on Student Life, Learning and Community; what follows is my response to the recommendations by category as laid out in the report.

Fostering Greater Dialogue and Genuine Debate at York

We have a shared responsibility to do our utmost to create and maintain a learning environment where ideas are challenged and not attacked; an environment where every member of this community feels welcome and respected.

I accept the recommendation to create the Standing Committee on campus Dialogue; its purpose will be to foster an inclusive exploration of important public issues from the widest possible range of perspectives. Professor David Leyton-Brown has agreed to serve as Co-Chair of the Standing Committee. Professor Leyton-Brown will be responsible for designing an inclusive process for the selection of the remaining members of the Committee, which will include students, staff and faculty.

We will be exploring a number of initiatives outlined in the report, and I have asked VP nffin to take the lead on these, including:

- Creating a working group with broad representation from the academic and student community to explore the recommendation of an Intergroup Relations program; and to consider similar initiatives underway at other universities, including participating in the Canadian Community for Dialogue and Deliberation conference in October 2009. The working group will report back by February 2010
- Developing the terms of reference for an annual award to recognize a student who demonstrates a strong commitment to fostering intercultural awareness and constructive dialogue between students.

Student Space

I recognize the need for more undergraduate and graduate student space for study and social purposes as one of the highest priorities for students. The University will conduct a consultative process with students to review space in order to define and prioritize the various student space enhancements that would improve the quality of student experience on campus. During the review, best efforts will be made to ensure there is no loss of student space. The process of identifying student space priorities will be done in time to provide input to the University Long-Term capital Plan update, currently anticipated to be completed May 2010.

Commencing October 4, 2009, Scott Library will be in 24-hour operation Sunday through Thursday; this will continue through the months of October, November and December as well as from January 31 until the end of April. Students will have access to the study area on the first floor and there will be sufficient staff to ensure adequate supervision and address any security concerns. Security has been involved in the development of the plan, and there will also be periodic security patrols throughout the night.



Other initiatives around improving student space include:

- Finalizing and expediting plans to develop a new Learning Commons on the second floor of Scott Library. This area could include more student seating and create a greater variety of learning environments that will facilitate learning, interaction, collaboration, group study and teaching, with the larger goal of enhancing student academic success.
- Vice-President Students and Vice-President Finance & Administration will initiate discussions with the Executive Director of the Student Centre Corporation to explore possible options for ways in which the student capital levy could be utilized in the context of a longer term space plan for students at York.
- As an alternative to extended hours for computing facilities, other solutions to meet computing needs for students will also be examined.
- As part of the subway planning and development process, exploring opportunities for relocating buses from the Harry Arthurs Common in order to provide the basis for a renewal of this important space to improve the quality of student experience on campus.

Temporary Use of University Space (TUUS) Policy

It is agreed that respect for the procedures around booking of space on campus is essential. These procedures are designed to protect the rights of users of the space, as well as those whose rights or activities might be infringed by particular uses. At the same time, the procedures must be fair, not unduly onerous or bureaucratic, and applied in a transparent manner.

The University has developed an online process for space bookings and the procedure will be operational by November 1, 2009. Section 3.2 of the TUUS will be reviewed and updated by January 1, 2010, to provide greater clarity with respect to the grounds and notification process for cancellations.

Student Code of Conduct

It is agreed that the Student Code of Conduct fulfills an important purpose at York. It is designed to protect students and others in the community and ensure a safe campus and an appropriate learning environment for all members of the community. A panel consisting of representatives from YFS, GSA, student members at large, faculty, Associate Deans, and staff will be established in October to consult with the community in the review of the Student Code of Conduct and the development of the Code of Student Rights and Responsibilities. The review will be completed by April 30, 2010.

In light of the expansion of the Code to include certain rights, the Office of Student Conduct and Dispute Resolution will be renamed to more accurately reflect the recommendations made by the Task Force.

The Task Force highlighted the need for students to have access to advocacy on academic and non-academic matters; it is understood that both the YFS and GSA have staff that provide these services. VP Tiffin will explore with the YFS and GSA ways to expand the awareness of these services amongst students, including the role of Community Legal Advice Service Partnership (CLASP) and its support for students.

More effective communication with and between students

The Task Force has identified that the University needs to review the way it communicates important information to students. In light of this finding, the University will establish a working group consisting of Communications, UIT, Associate Deans and students to examine

how we can best communicate with students, including using social networking utilities to ensure that information is received in a timely and effective manner.

I have already acted on the Task Force's recommendation to install electronic bulletin boards in key locations on campus. The installation of these e-boards has commenced and by the end of October 2009, a total of 25 electronic bulletin boards will have been installed and be fully operational. The primary purpose of these screens is to support the University's emergency messaging program; further communications opportunities will be examined and implemented as appropriate.

Other communications initiatives under review include:

- Expanding communication with student groups regarding TUUS policies and procedures for booking space and cancellations of bookings through presentations and outreach initiatives.
- Establishing at least one additional space in consultation with students on the Keele campus where students can post flyers or posters in accordance with the University's postering policy.
- Student Community and Leadership Development will undertake to enhance services available at the Information Booth in the Vari/Ross link.
- During fall 2009, locations of map display signs will be reviewed by VPFA staff and augmented as appropriate.

Vari Hall

I accept the recommendation to establish a consultative process to help enhance the quality of Vari Hall as a space for students and have asked the Vice-President Students to undertake a consultative process with student groups and the York community to review potential options. Discussions will be initiated in October and members of the York community will have an opportunity to comment in November. We will also explore, through consultation with stUdents, an appropriate bookable outdoor venue for major public events. The development of a plan for an outdoor venue will be undertaken concurrently with the Vari Hall review process in October.

Better Enforcement

The Task Force has highlighted that a safe and secure learning environment is very important for our stUdents, staff and faculty. We believe that safety and security issues need to be addressed through more effective and timely enforcement of University policies relevant to personal and community safety on our campuses.

I agree that respect for the procedures around booking of space on campus is essential. Where violations of the TUUS occur, York University Security Services will inform those involved of the requirements of the policy, request that the activities cease and, if they continue, serve a notice of Violation. These notices and a report will be filed with and followed up by the appropriate office. I have asked the Vice-President Finance and Administration to work with Security Services as well as with the Vice-President Students to develop the appropriate procedures for this to occur and to have them in place by no later than November 15, 2009.

I agree that the Student Code of Rights and Responsibilities needs to be enforced in a fair and transparent manner and that York Security Services should take a proactive approach in supporting the enforcement of the Code. In cases where Security Services observe an apparent violation of the Code, the personnel will file the regular security reports on the

incident and notify the Office of Student Community & Leadership Development. This office will review these reports in order to determine whether to initiate further enforcement proceedings under the Code.

The establishment and implementation of a university security model is a significant and complex matter. The University has over the past 10 years reaffirmed and focused considerable effort in its **community-based** approach to security that works in a cooperative and complementary manner with Toronto Police services. I am confident that the changes outline above will sufficiently address the concerns raised to the Task Force, and therefore we will not be pursuing the Special Constable recommendation at this time.

The York Community & External Groups

York University is open to the world, a product and reflection of our diverse and pluralistic society. That said, the York community has certain values and rules that must be upheld, both by community members and those who visit our campuses. For our purposes, the York community is defined as persons who are on our campuses as currently registered students, full-time faculty members, contract faculty members under contract, staff and members of the governing bodies (Senate and Board).

All others are guests or invitees, here either by contract, invitation or at the will of the University. Non-community members will be warned and subsequently trespassed if they violate University regulations or engage in disruption of University business or activities. I also accept the recommendation that the University's campuses should not be the locus of demonstrations by outside interest groups and such demonstrations will not be permitted.

Organizational Change

The Report recommends the hiring of an officer charged with issues around cultural awareness and cultural sensitivity training; the centre for Human Rights has recently hired two Senior Advisors with a mandate to help anticipate and identify potential campus issues and trends as they arise through their education and outreach activities, as well as providing culture awareness and anti-racism training. We feel these two recent hires address the need identified by the Task Force. It should also be noted that the following offices have increased coordination and communication: the Centre for Human Rights; Security Services; SCDR and SC&LD.

Education and Training

The Task Force has identified a number of opportunities for the University to help foster an environment where there is a free and open exchange of ideas. There are a number of initiatives underway through the Centre for Human Rights including:

- Respectful Speech campaign to be launched in October 2009
- The Respect and Inclusivity Tutorial to be launched on October 5 to coincide with the Inclusion Day conference.
- Working with University offices to provide training in the areas of anti-harassment and inclusion
- Collaboration with YFS to provide inclusion training during Orientation
- Providing inclusion and safe space training to Residence Dons.

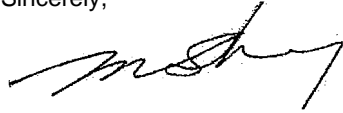
Over the coming academic year, we will explore other possibilities, including

- Expanding TA and new faculty training programs
- Studying the feasibility of a student emergency response team.

To view the complete response to the Task Force recommendations, [click here](#).

I believe the insights and actions arising from this report will have a transformative effect on the student experience at York, and I want to express my sincere thanks to the members of the Task Force for their hard work in preparing this report, as well as the members of the York community and individuals and groups who participated in the consultations.

Sincerely,

A handwritten signature in black ink, appearing to read 'M Shoukri', written in a cursive style.

Mamdouh Shoukri
President and Vice-Chancellor

THE PRESIDENTIAL TASK FORCE ON STUDENT LIFE.
LEARNING & COMMUNITY
PRESIDENTIAL RESPONSE

Recommendation	Response
<u>(a) Fostering Greater Dialogue and Genuine Debate at York</u>	
<p>41. We recommend the creation of a Standing Committee On Campus Dialogue (SCCD), composed of students, faculty and administrators, to foster and model the kind of genuine debate and dialogue appropriate to an institution of higher learning. The SCCD should have 8-10 members appointed by the President On the basis of an open and transparent nomination and application process. There should be an equal number of students and faculty/staff members and it should be co-chaired by a student and non-student. The central goal of this body would be to foster an inclusive exploration of important public issues from the widest possible range of perspectives. All members of the SCCD should be selected on the basis of their demonstrated commitment to the achievement of that objective.</p>	<p>Agreed.</p> <p>The President accepts the recommendation to create a Standing Committee on Campus Dialogue composed of up to 10 students, faculty and staff members. The purpose of the Standing Committee on Campus Dialogue will be to foster an exploration of important public issues from the Widest possible range of perspectives. Professor David Leyton-Brown has agreed to serve as Co-Chair of the Standing Committee. Professor Leyton-BroWD will be responsible for deslguing an inclusive process for the selectfOn of the remaining members of the Committee, for approval by the President.</p>
<p>42. A primary activity of the SCCD would be to regularly sponsor balanced and high-quality discussions, debates, seminars and other academic fora on pressing and timely public issues of global, national and local importance. The SCCD would be provided with a budget in support of its activities, would sponsor and advertise at least one major event or activity on campus each term, and the academic events that it sponsors would be attended by senior University leaders, including the President or the Provost. The SCCD would also advise the President on other initiatives that might be undertaken to foster meaningful debate on campus amongst</p>	<p>Agreed.</p> <p>See recommendation 41 above</p>

Recommendation	Response
students, faculty and administrators on issues of public concern.	
43. We recommend the development of an Intergroup Relations program at York to promote dialogue and social engagement between students from different groups, similar to successful programs in US and Canadian universities and NGOs. This will increase cross-group awareness, knowledge and understanding, resulting in collective engagement in action for social justice.	Agreed. A working group with broad representation from the academic and student community will be convened by the VP Students to examine how this could become incorporated into the curriculum and social activities of York.
44. We recommend that the VP Students, the Office of Human Rights, other relevant University administrators, as well as interested members of the community explore the possibility of partnerships with the Canadian Community for Dialogue and Deliberation (CCDD) and other such organizations.	Agreed. VP Students has registered for the October conference of the CCDD. Representatives from the Office of Human Rights will also be in attendance. It is hoped that this will help to enhance discussion of an intergroup relations program at York.
45. We recommend that the University explore the possibility of introducing initiatives aimed at promoting greater dialogue or tolerance and encouraging a sense of global citizenship at York, potentially in partnership with other universities or with other involved in promoting such efforts.	Agreed. The Standing Committee established pursuant to recommendation 41 will be asked to review and report on this matter.
46. The University should consider creating an annual award to recognize a student who demonstrates a strong commitment to fostering intercultural awareness and constructive dialogue between students on campus.	Agreed. This matter will be referred to Student Financial Services to develop terms of reference with input from students and the Human Rights office.
(b) Student Space	

Recommendation	Response
<p>47. The need for more undergraduate and graduate student space for study and social purposes is one of the highest priorities for students on the York campus. Over the last decade, significant areas that were formerly used or reserved for student use have been converted to other purposes.</p>	<p>Agreed that the need for improving student space on campus should be regarded as a high priority for the University.</p>
<p>48. We recommend a moratorium on conversion of student space to other uses pending a comprehensive review of student space on campus and a plan to develop more student space in the future. This comprehensive review should be on a priority basis and include the direct participation of students and student governments. The review should consider existing space that could be converted to, or better adapted, or made available for student use as well as the possibility of <u>adding or constructing</u> new student space.</p>	<p>The University will undertake a consultative process to review the student space situation on campus, and in particular define student space and what the specific priorities would be with respect to improving the student space situation. Staff from VP Students will develop and lead the consultation process, supported by CSBO staff from the VP Finance and Administration division. The process of identifying student space priorities should be completed in order to provide input to the University Long-Term Capital Plan update, currently anticipated to be completed May 2010. Pending completion of this review, the University will make best efforts to ensure that there will be no net reduction in student study and lounge space.</p>
<p>49. We recommend that the University make it a priority to allow Scott Library to remain open 24 hours a day to the greatest extent possible throughout the two main academic terms. The feasibility of extended hours at the other libraries and computing facilities on campus should be investigated. Sufficient security should be provided to students making late use of such facilities on campus.</p>	<p>Agreed. Commencing October 4, 2009, Scott Library will be in 24-hour operation Sunday through Thursday; this 24/5 operation will continue through the months of October, November and December as well as from January 31 until the end of April. Students will have access to the study area on the first floor and there will be sufficient staff to ensure adequate supervision and address any security concerns. Security has been involved in the development of the 24/5 plan and there will also be periodic security patrols throughout the night.</p> <p>In addition, the Scott Library will proceed with the design and planning of a "Learning Commons" on the 2nd floor of the Library, intended to serve as a new progressive study space with a mix of open and semi-private multipurpose areas which will facilitate learning, interaction, collaboration, group study and teaching. The Provost will work with the Chief Librarian on the development of this plan, and it will be brought forward for review within the University approval processes, as a matter of priority.</p>

Recommendation	Response
<p>50. The mortgage for the Student Centre will be paid off in 2012. This means that the student capital levy that has been used to fund the mortgage could be utilized for the development of additional student space. We recommend that the University engage with the Student Centre Collaboration to discuss ways in which the student capital levy could be utilized in the context of a longer term space plan for students at York.</p>	<p>Agreed. The University representatives named to the Student Centre Collaboration Board will initiate discussions with the Executive Director of the Student Centre Collaboration to explore possible options.</p>
<p>51. The student space plan should take into account the fact that the subway may significantly reduce or eliminate the need for public transit buses on campus, making it possible to repurpose some of the roadways that are currently used for buses.</p>	<p>Agreed. Options for routing of public transit buses on campus will be included in the ongoing discussions with the TIC as part of the subway and development process. Opportunities for relocating buses from the Harry Artburs Common will be explored in order to provide the basis for a renewal of this outdoor space to improve the quality of student experience on campus.</p>
(c) Temporary Use of University Space (TUUS) Policy	
<p>52. Respect for the procedures around booking of space on campus is essential. These procedures are designed to protect the rights of users of the space, as well as others whose rights or activities might be infringed or unreasonably impeded by particular uses. At the same time, the procedures must be fair, not unduly onerous or bureaucratic, and applied in a transparent manner. As noted in the previous section of this report, the University is committed to the widest range of debate on issues of public concern. The TUUS policy should be administered consistent with this commitment to free expression.</p>	<p>Agreed. The TUUS policy and procedures have been and will continue to be administered in a fair and transparent manner, and consistent with the University's commitment to free expression.</p>
<p>53. Meetings or other activities should be assigned to spaces suitable for the planned event, based on the numbers of attendees, the structure or format, concerns over security, etc. At the same time, as described in the previous paragraph, access to space should not be determined on the basis of the</p>	<p>Agreed. This has been and will continue to be the basis for assigning space for events. Also, sanctions should be imposed in situations where proper booking of space for events has not occurred - this is linked to recommendation 72 below.</p>

Recommendation	Response
<p>content of what is to be discussed at the event in question and must not be used to dissuade or prevent discussion of controversial topics from taking place. All events must be booked however; otherwise sanctions must be imposed (proportionate to the size and the nature of the event and proportionate to whether the organizers are aware of the policies).</p>	
<p>54. The procedures surrounding the hooking of space on campus through the Temporary Use of University Space Policy should be streamlined and simplified. An online procedure should be implemented which will allow those wishing to book space to do so electronically. Efforts should be made to shorten the time needed to assess and process requests.</p>	<p>Agreed. The UniveISity has developed an online process for space bookings and the procedure will be in place by November 1, 2009.</p>
<p>55. We support continued utilization of local reservation agents for booking space within individual faculties or units.</p>	<p>Agreed.</p>
<p>56. Any cancellations of space bookings by the UniveISity should be in accordance with a fair and transparent procedure. The grounds for cancellations should be set forth in the TUUS Policy, and in cases of cancellations there should be timely notification to</p>	<p>Agreed. Section 3.2 of the TUUS will be reviewed and updated by January 1, 2010 to provide greater clarity with respect to the grounds and notification process for cancellations.</p>
<p>57. There needs to be greater communication with student groups regarding policies and procedures for booking space on campus.</p>	<p>Agreed. Presentations to student clubs and organizations have occurred during orientation. A webinar will be developed for the SCLD website. Significant improvements are needed to the Current Student website to facilitate easier access to booking reservations policies and procedures. This is linked to the new, enhanced online booking utility.</p>
<p>(d) Student Code of Conduct</p>	

Recommendation	Response
<p>58. The Student Code of Conduct fulfills an important purpose at York. It is designed to protect students and others in the community and ensure a safe campus and an appropriate learning environment for all members of the community. It was produced through an extensive consultative process involving public fora, focus groups and a working committee that included representatives of student governments, faculty and staff. Over 2500 individuals had input into the creation of the Code and of those who participated in its development, 95 per cent were students. The fundamental principles of respect and safety emerged out of the consultation process, and these tenets are reflected throughout the Code and its provisions. Also pervasive are the values of civility, diversity, equity and respect. The Code calls on students to help make York a safe learning environment, to support the dignity of individuals and groups, and to uphold essential freedoms. Students serve not only as members of all tribunals in the adjudication process but also as peer mentors to disseminate information to other students on the Code of Conduct.</p>	<p>Agreed.</p>
<p>59. Nevertheless there is a concern amongst some student groups that the Code may unduly limit student freedom or rights of dissent. We believe that a Student Code of Conduct that focuses only on negative conduct by students is incomplete and that the Code could be strengthened and made more complete by moving beyond a focus on negative conduct by students. We recommend that the Student Code of Conduct be amended to include certain student rights, and the Code should be renamed the Student Code of Rights and Responsibilities.</p>	<p>Agreed. See recommendation 61 below.</p>
<p>60. The SCRR should recognize fundamental student rights including: the right to free expression, association and mobility on campus; the right to participate in all University activities free of harassment, disruption, intimidation or discrimination</p>	<p>Agreed. See recommendation 61 below.</p>

Recommendation	Response
<p>on prohibited grounds; the right of freedom of thought, conscience, and inquiry; the right of freedom to engage and participate in dialogue and to examine diverse views and ideas; the right to a fair process in any University proceeding determining his/her rights and obligations; and a procedure to enforce such rights when violated.</p>	
<p>61. We recommend that the President create a procedure for consulting widely with students and members of the community with a view to developing the SCRRC during the current academic year. This consultative process should be similar to the process that was utilized in developing the Student Code of Conduct, and involve students, student governments, staff and faculty. The revised SCRRC should be broadly publicized to students through an annual awareness campaign so that they have an understanding of their rights and responsibilities.</p>	<p>Agreed. The Code of Conduct is scheduled to be reviewed this academic year. A panel consisting of representatives from YFS, GSA, student members at large, faculty, Associate Deans, and staff will be established by October 31 to consult with the community in the review of the Code and the development of a Student Code of Rights and Responsibilities. The objective is to have a revised Student Code of Rights and Responsibilities in place by April 30, 2010.</p>
<p>62. We recommend that the Office of Student Conduct and Dispute Resolution be renamed to more accurately reflect the recommendations that are made by the Task Force.</p>	<p>Agreed. The President has instructed the VP Students to review this matter and determine the most appropriate name for the office.</p>
<p>63. The University administration, YFS and the GSA should consider the possibility of jointly establishing a student ombudsperson, who would have a mandate to advise and advocate for students in relation to academic and non-academic matters involving students. The student ombuds could be associated with an existing organization on campus, such as the Community Legal Aid Services Program (CLASP), and would prepare an annual public report on his/her activities. The student ombuds would report to a unit or body with representation from the administration, the GSA, and YFS.</p>	<p>We believe that it would be best to build upon the resources already available as student advocates in both the GSA and YFS. The VP Students will approach YFS and GSA to clarify the role of their student advocate and other legal services for students and to determine how best to promote awareness within the student community. Clarification of the role of CLASP and the support for students will be undertaken.</p>

Recommendation	Response
(e) More effective with and between students	
64. Students do not receive enough information about matters of interest to them at York in ways that are easily accessible. We recommend that the University make greater and more effective use of online media (YouTube, social media such as Facebook and TWitter, RSS feeds, podcasts) to communicate with students. There should be more celebration of student achievements and acknowledgement of successes of all York community members and attention should be paid to the location of such information on the web.	Agreed. A working group has been established consisting of Communications, VIT, Assoc. Deans, students to examine how we can best communicate with students using social utilities, e.g. YouThbe, iPhone applications.
65. We recommend the installation of electronic bulletin boards at central locations on campus that can be used to provide information to students regarding University activities or other matters of interest. We also recommend the provision of additional space on campus where students can post flyers or posters in accordance with the University'S Postering Policy. In particular, we support the creation of one or more community "marketplace" bulletin boards in strategic locations on campus that will allow students and other members of the community to post information, notices, posters or other matters of interest.	Agreed. I. Electronic Bulletin Boards A series of 25 electronic bulletin boards are in the process of being installed at various locations across campus. They will be fully operational by no later than October 31, 2009. 2. Marketplace bulletin boards The University will establish at one such bulletin board in a central location on campus, in a manner to be determined in consultation with student groups.
66. We recommend a more visible and enhanced information booth in or near Vari Hall, in place of the current operation in the Vari Hall/Ross Building to provide information of interest to members of the community as well as visitors.	Student Community Leadership & Development will develop a plan to enhance the programming associated with the existing information desk in the Vari/Ross link
67. Although there has been an increase in the posting of campus maps in recent years, this should be reviewed in order to assess whether additional maps should be provided in high traffic locations on campus, including in Vari Hall.	Agreed. During fall 2009, locations of map display signs will be reviewed by VP Finance and Administration staff and augmented as appropriate.

Recommendation	Response
<p>68. In certain circumstances, it may be appropriate to make greater use of email to communicate with students on matters of particular concern. However we recognize that any increase in the use of email must be carefully considered in order to avoid overburdening students with information. The University should consider whether more targeted use of email to specific groups of students who may be interested in particular subjects could be utilized.</p>	<p>Agreed. Discussion of this will be linked to the working group of students, faculty and all forms of electronic and social media to communicate effectively with students. See recommendation 64 above</p>
<p>(f) Vari Hall</p>	
<p>69. Given the concerns over lack of student social and study space noted earlier, we recommend that the President establish a process that will result in better use of Vari Hall as a student space, both the rotunda as well as the balcony areas. The kinds of possible uses could include a student lounge(s), food service(s), cultural displays, information services, or a forum for debate and dialogue. In the event that any of these uses revenue, this revenue should be used to fund student activities, either in Vari Hall itself or elsewhere on campus. An opportunity should be provided to members of the community to propose and debate designs for the better use of the Vari Hall rotunda as a student space. Students and other members of the community should be provided with a transparent and open means (i.e., through an online voting procedure) through which they could review and select the preferred design(s) for making better use of Vari Hall for students. Recognition for the creator(s) of the s) should be provided.</p>	<p>Agreed. The President accepts the Task Force recommendation to establish a consultative process to result in better use of Vari Hall as a student space. The President has asked the Vice-President Students to undertake a consultative process with student groups and the general York community to review potential options for enhanced use of the space for students. Discussion on alterations to Vari Hall will be initiated in October through a student workshop designed to develop proposed designs, e.g. student lounge, study space, food service, group or cultural displays, workshop space, etc. Members of the community and other interested parties will have an opportunity to comment on these designs with a decision on a preferred approach occurring by the end of November.</p>
<p>70. An outdoor venue should be developed in a central area of the campus for demonstrations and other major public events that are inappropriate for an indoor venue. Such a space would be bookable through the TIJUS policy. The University should work with students and student organizations such as the YFS and the GSA on the development of such a venue to ensure that it meets the needs of students.</p>	<p>Agreed. The development of a plan for an outdoor venue will be undertaken concurrently with the Vari Hall changes described above.</p>

Recommendation	Response
Better Enforcement	
<p>71. There are significant safety and security concerns amongst many members of the York co=unity, particularly students. As is indicated by a survey conducted by METRAC pursuant to the safety audit currently underway (the survey results having been shared with the Task Force), these concerns relate both to personal safety as well as co=unity safety. A safe and secure learning environment is very important for our students, as well as other members of the co=unity. We believe that these safety and security concerns need to be addressed through an enhanced role for York Security Services and, generally, more effective enforcement of policies relevant to and co=unity safety on campus.</p>	<p>Agreed. See recommendations 72-74 below.</p>
<p>72. As noted above, respect for the procedures around booking of space on campus is essential. Where violations of the TUUS policy occur, York University Security Services should inform those involved of the requirements of the policy, request that the activity cease and, if it continues, serve a notice of violation. These notices and a report should be filed with and followed up by the appropriate office.</p>	<p>Agreed. The President agrees that respect for the procedures around booking of space on campus is essential. Where violations of the TUUS occur, York University Security Services will inform those involved of the requirements of the policy, request that the activities cease and, if it serve a notice of violation. These notices and a report will be filed with and followed up by the appropriate office. The President has asked the Vice-President Finance and Administration to work with Security Services as well as With the Vice-President Students to develop the appropriate procedures for this activity and to have this new process in place by no later than November 15, 2009.</p>
<p>73. The Student Code of Rights and Responsibilities needs to be enforced in a fair and transparent manner. York Security Services need to take a proactive approach in enforcing the SCRR. Where they observe an apparent violation of the SCRR they should request that the activity cease, serve a notice of violation (if appropriate or feasible) and, in any event, file a</p>	<p>Agreed. The President agrees that York Security Services should take a proactive approach in supporting the enforcement of the Student Code of Rights and Responsibilities. In cases where Security Services observe an apparent violation of the Code, the personnel will file the regular security reports on the incident and notify the Office of Student Co=unity & Leadership Development. This office Will review these reports in order to</p>

Recommendation	Response
<p>report on the incident with the appropriate office. These reports should serve as a sufficient basis to initiate enforcement proceedings under the SCRR.</p>	<p>determine whether to initiate further enforcement proceedings under the Code.</p>
<p>74. Consideration should be given to reducing the time required to adjudicate complaints under the e.g. the hiring of trained, third party, external adjudicators to assist in complex, difficult cases where a timely response is important, or where concerns over impartiality and independence are particularly important. A communication/awareness plan needs to be developed to ensure that students are aware of their rights and responsibilities under the SCRR. Orientation programming in the Colleges could assist with the awareness campaign.</p>	<p>Agreed.</p>
<p>75. In the event that these changes do not adequately address the concerns regarding the proper enforcement of University policies, the possibility of seeking the appointment of York Security Services as Special Constables under the Police Services Act should be considered. Special Constables have the authority of a police officer, and can enforce federal and/or provincial laws, within a defined (such as a university campus). The benefit of conferring enhanced policing powers on a university security service is that it may reduce the need for municipal police officers on the University campus. The security services at a number of other Ontario universities, including the University of Toronto, the University of Western Ontario, and University of Waterloo, have been appointed as Special Constables.</p>	<p>The establishment and implementation of a university security model is a significant and complex matter. The University has over the past 10 years reaffirmed and focused considerable effort in its community-based approach to security, which works in a cooperative and complementary manner with Toronto Police Services. The University is not giving consideration to a security service based on appointment of Special Constables at this time</p>
<p>76. Consideration should be given to creating a student emergency response team on the York campus. The mandate of such a team would be to provide first-aid response on</p>	<p>The President will request that the appropriate areas of the University, led by the VPFA Division, review the feasibility of establishing such a team at York.</p>

Recommendation	Response
<p>campus, as well as to increase awareness within the York community. The role and function of such a team should be explored with interested students and student organizations, the University Security Services (where students already play an important role in campus security as Student Safety and Parking Officers) and draw on the experience with such response teams on other Canadian campuses.</p>	
<p>77. As noted in an earlier section of this report, the free and open exchange of ideas is the lifeblood of the University. This requires protection for the expression of critical or unpopular ideas. It is inappropriate and unacceptable in a to attempt to disrupt, shut down or prevent the free exchange of ideas deemed unpopular or unacceptable by some members of the community. Where disruptions involve members of the community, they should be dealt with through the applicable dispute-resolution processes in a fair with a view to ensuring that such activities do not occur in the future. Where disruptions arise from activities of non-members of the community, the should utilize the legal means at its disposal, including the Trespass to Property Act, to ensure that such individuals are not permitted on campus in the future.</p>	<p>Agreed. This recommendation is accepted and guidelines for implementing it will be created by the University Counsel.</p>
<p>(h) Organizational Change</p>	
<p>78. There is a perception that the University is not paying adequate attention to issues of relationships between ethnic/cultural groups on campus. Creating an officer that is charged with issues around cultural awareness and anti-racism training would address this perception. The person should take a proactive approach and reach out to before conflicts</p>	<p>Agreed. The President accepts the recommendation that there needs to be a more proactive approach in fostering positive relationships between different groups on campus. The Centre for Human Rights has recently hired two Senior Advisors with a mandate to help anticipate and identify potential campus issues and trends as they arise through their education and outreach activities, as well as providing culture awareness and anti-racism training.</p>

Recommendation	Response
<p>arise. It would also provide us with an opportunity to continue to examine issues of cultural relationships on campus and to provide services to groups that require assistance (e.g., training for York Security Services). This officer could also support and initiate dialogue that promotes the sharing of ideas around and sensitive issues.</p>	<p>In addition, these staff members are to promote a collaborative learning and team-based culture through role modeling and encouraging others. In this regard, the Centre is working on furthering its Diversity Peer Educational Team whereby students will be trained to deliver short educational sessions about diversity and inclusion to their peers in classrooms and other student settings.</p>
<p>79. Better horizontal coordination and communication needs to be established between the York University Security Services, the Centre for Human Rights, and the office of Student Conduct and Dispute Resolution (SCDR) especially when a member of the York community files a complaint. Consideration should be given to locating these offices in closer physical proximity to each other. The Centre for Human Rights needs to work more closely with Security Services to identify and/or prevent violations, as well as address those that may occur under the Ontario Human Code.</p>	<p>Agreed. Steps have already been initiated to ensure that there is greater sharing and exchange of information between the groups. A Critical Event Support Group consisting of representatives of Security, Counselling, Critical Incident services, Residence Life and Student Community. Meetings with all interested parties will be undertaken to review the current level of communication and access to information</p>
<p>(f) External Groups</p>	
<p>80. Non-community members must more assertively be restricted from access to campus when they violate University regulations through first a written warning and, if there is a failure to comply, restrictions on access to on-campus events through the use of the Trespass to Property Act. We note that demonstrations by non-York community members should not be permitted on the York campus. These expectations and requirements with respect to non-York community members should be widely communicated and consistently enforced.</p>	<p>Agreed. Protocols will be developed by the University Counsel for implementing this recommendation.</p>
<p>(g) Education and Trainino</p>	
<p>81. The University has an obligation to foster an environment open to free inquiry and diversity of viewpoints amongst students and faculty. The University should undertake to provide greater awareness within the classroom of the</p>	<p>Agreed.</p>

Recommendation	Response
<p>importance of creating and maintaining "an environment where ideas are challenged, not attacked; an environment where every member of this community feels welcome and respected" (President's statement to Senate, June 18/09). This commitment to the free exchange of ideas in the classroom should be incorporated in TA training programs as well as new faculty day.</p>	
<p>82. We support anti-oppression training for all members of the community including students, faculty and staff to create greater awareness of issues of racism, gender and human rights issues generally on campus, and see the proposed human rights tutorial, as well as the Respect and Inclusivity training for Residence Dons and Orientation leaders, as important first steps. The Centre for Human Rights should work closely with other groups on campus, e.g. YFS, GSA, SC&LD, Colleges, Centre of Support of Teaching, Human Resources, and clubs to create greater awareness of the significance of these issues on campus.</p>	<p>Agreed.</p> <p>The Centre for Human Rights has already partnered with the YFS last year and again earlier this September to deliver "Inclusivity Training" that included anti-oppression and diversity content and materials to Frosh leaders. The Centre is currently considering ways to include such themes in its proposed series of ongoing educational sessions that will be made available in the coming months. The Centre has been working on establishing these links during the past year with each of the named entities and already a number of additional and new educational activities have been/are being planned for the upcoming months and years.</p> <p>Respect and inclusivity workshops were provided to all orientation leaders and residence dons in September. The Respect and Inclusivity Tutorial will be launched on October 5 to coincide with Inclusion Day conference. First year students will be encouraged to take the tutorial this year and provide feedback. Discussions will also be undertaken to extend awareness to faculty and staff, e.g. new faculty 'day orientation.</p>

ACADEMIC RESOURCES COMMITTEE

Report to the Board at its Meeting of October 5, 2009

The Academic Resources Committee met on September 14, 2009 and submits the following information report to the Board of Governors.

1. Report of the Vice-President Academic and Provost

In his report to the Committee since assuming Vice-President Academic and Provost Monahan reported on the following matters:

- preliminary graduate and undergraduate enrolment data (which, at this stage, show an increase over projections);
- the Provostial White Paper process, which is geared to toward the creation of a long term academic planning vision and framework that will emerge from an intensive consultation process in the months ahead;
- the report of the Task Force on Life, Learning and Communities and the process by which its constituent recommendations will be reviewed and implemented;
- the successful launch the Faculty of Liberal Arts & Professional Studies, and the new Faculty's enrolment and financial challenges, opportunities, and time lines for the creation of an academic plan;
- the budget situation and its impact on complement planning, and the few appointments authorized to date (all of them funded by the relevant Faculties).

2. Report of the Vice-President Research and Innovation

In his report, Vice-President Shapson reported on the following:

- the results of recent funding competitions;
- the ongoing and in many ways intensifying challenges facing the University by virtue of its unique disciplinary makeup;
- external outreach initiatives, including partnerships with public and private sector institutions, including those in York Region;
- the implications for York of efforts by some other universities to further tilt the research playing in their favour.

3. Undergraduate Program Reviews

The Committee has received a report on Undergraduate Program Reviews from the Senate Committee on Curriculum and Academic Standards. Provincial protocols require that these reports must be transmitted to Senate and the Board of Governors for information.

Documentation is attached as Appendix A.

4. Tour of the York Research Tower

Following the business meeting, members of the Committee were escorted on a tour of the impressive research facilities in the newly-opened York Research Tower.

Sam Schwartz, Chair

Appendix A / Academic Resources Committee Reports

Committee on Curriculum and Academic Standards Undergraduate Program Reviews

Report on the Undergraduate Program Review Bachelor of Arts Program in Drama Studies Glendon

The Undergraduate Program Review (OPR) of the Bachelor of Arts program in Drama Studies in Glendon was conducted on 3 March 2008. Professor Edward Little, Department of Theatre, Concordia University, was the external consultant. Professor Jacinthe Michaud, School of Women's Studies, Glendon College, was the internal consultant.

Following receipt of unit and decanal responses to the consultants' report and the summary report of Rodney Webb, Associate Vice-President Academic, the Committee on Curriculum and Academic Standards (CCAS) arranged to meet with program and Faculty representatives to review progress and identify priorities for further program development. The meeting took place on May 5, 2009 and was attended by: Ken McRoberts Principal, Glendon and Guillaume Bernardi, Coordinator, Drama Studies, Glendon.

Throughout the review process, the participation and responses of the program has been thoughtful, open and constructive. The consultants provided very positive commentary of the quality of the program. It is clear that the Coordinator of the program is committed to sustaining the program, further enhancing the quality of the curriculum and providing students with a rich learning experience. below is a summary of the program development considerations, initiatives and plans identified at the May 5, 2009 meeting.

1. Update the Mini-Calendar to provide a clearer description of the pedagogy of the program and provide it on-line. Consider "Program Guides" for current students.
2. Continue building relationships with French Studies, and explore closer relationships with the School of Translation Studies and Hispanic Studies to broaden the course offerings and to ensure sufficient cross-listed course offerings exist on an on-going basis for Drama Studies students.
3. Continue developing the emerging relationship with the Theatre Department in the Faculty of Fine Arts to identify opportunities for shared resources and collaboration for the benefit of students in both programs.
4. Explore the possibility of developing a budget for the Drama Studies program to solidify the necessary support for the annual student productions that are required as part of the curriculum.
5. Explore ways to build the capacity to offer the 4th year independent study option for more students.
6. Explore the option of increasing the value of the DRST courses that have a production component from 6 to 9 credits.

Many of the above recommendations stem from the Committee's concern - and the Program's concern - about the long-term viability of the Drama Studies Program. The recommendations are aimed at addressing the critical issues surrounding the ability to consistently provide the necessary components of the program, a high quality academic experience for students and the support required by students.

The foremost recommendation from CCAS therefore is:

7. Develop and implement a long-term sustainability plan for the program, which takes into account the existing personnel and resources challenges, including:
 - the heavy reliance on other departments to annually provide the necessary courses for Drama Studies students, particularly in light of ongoing budget cuts in those departments
 - the presence of only one-full time tenure-stream faculty member in the program (who plans to go on sabbatical leave shortly), which is likely to be the case for the foreseeable future due to the current fiscal climate
 - the reliance on a retired faculty member for the 4th year independent study course and for the program coordination when the current Chair will be on sabbatical leave
 - the ability to attract and retain qualified contract faculty to the program
 - the need to resolve the outstanding contract issues with the contract faculty

June 2009

**Report on the Undergraduate Program Review
Bachelor of Arts Program in Classics/Classical Studies
Bachelor of Arts Program in East Asian Studies
Bachelor of Arts Program in European Studies
Division of Humanities, Faculty of Arts**

The Undergraduate Program Review (UPR) of the Bachelor of Arts program in Drama Studies in Glendon was conducted in March 2007. Professors Andrew Rippen, Dean of the Faculty of Humanities, University of Victoria, and Sheila Ager, Department of Classical Studies, University of Waterloo were the external consultants. Professor Catriona Sandilands of the Faculty of Environmental Studies was the internal consultant. This UPR was one group of two reviewing the entire suite of Humanities programs at York.

Following receipt of unit and decanal responses to the consultants' report and the summary report of Rodney Webb, Associate Vice-President Academic, the Committee on Curriculum and Academic Standards (CCAS) arranged to meet with program and Faculty representatives to review progress and identify priorities for further program development. The meeting took place on May 8, 2009 and was attended by:

Kim Michasiw, Associate Dean, Faculty of Arts
Patrick Taylor, Chair, Division of Humanities
Peter Cumming, Undergraduate Program Director, Division of Humanities
Jeremy Trevett, Coordinator, Classics/Classical Studies
Grace Shen, Coordinator, East Asian Studies
Susan Ingram, Coordinator, European Studies

Throughout the review process, the participation and responses of the programs have been thoughtful, open and constructive. The consultants provided a very positive evaluation of the quality of the programs. It is clear that the faculty, students and staff in are engaged in and have a strong enthusiasm and appreciation for the programs. Included below is a summary of the program development considerations, initiatives and plans identified at the May 5,2009 meeting.

Overarching Program Issues

The discussion revealed several matters common to all the programs for which there was agreement on recommended courses of action. They are set out below.

Enrolment Planning

The availability of sufficient space in related courses at the 3000 and 4000 level for year students is a significant challenge for programs, particularly for students in their final year. The Dean's office is currently engaged in efforts to enhance enrolment planning through the analysis and application of historical enrolment patterns in courses. Coordinating the planning with the Humanities programs and discussions with other cognate units to meet the needs of the upper-year Humanities students may help remedy the current problem. The feasibility of creating student cohorts in the programs - which would see a fixed group of students proceed together systematically through the curriculum - as a way to identify and efficiently meet enrolment needs was another idea to explore.

Program Coordinators' Orientation

The workload and growing complexity of the job of Program Coordinator are proving to be daunting for faculty members – particularly first time Coordinators. An orientation session providing such things as the basic knowledge needed, tools/technology (SIS), and the yearly cycle of events/tasks would better equip Coordinators for the role.

The meeting also identified a number of program specific initiatives for ongoing/future consideration by the respective programs - where feasible given constrained resources. They are enumerated below.

Classics/Classical Studies

1. Continue to explore with the Division the development and use of a general rubric for Classical Studies credits.
2. Continue to explore with program faculty the establishment of a basic program core.

3. Complete the review of the curriculum for internal consistency and distinctness (no substantial overlap between courses) and to consider the question of the restrictions on ancillary courses.
4. Contribute as possible to the Division's planned TA training sessions.
5. Consider establishing an iBA degree option in Classical Studies to enhance internationalization.

East Asian Studies

1. Development of a capstone course for majors at the 2000-level.
2. Explore the possibility of creating a student cohort with a planned progression through the program curriculum.
3. Explore innovative news ways to deliver program courses jointly with TAs - consistent with the terms of the CUPE 3903 Collective Agreement - that will better serve students and the program, and enhance the educative and teaching experience for the Teaching Assistants.

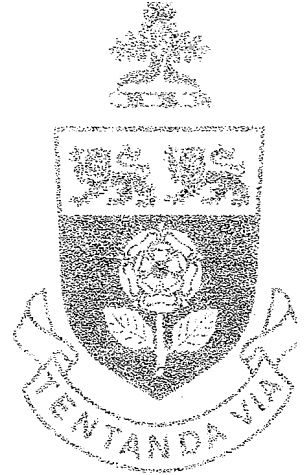
European Studies

1. Continue the review of the status of the core course HUMA 2195.09, including plans to offer it in the evening and re-structuring it to a 3 hour per week course for 6 credits.
2. Continue to explore with the Division the development and use of a course rubric for European Studies courses and program credits.
3. Work to build on the number of double-majors with the Humanities program, and explore possibilities for new double-major options with the Culture and Expression Program.
4. Explore the possibility of creating a student cohort with a planned progression through the program curriculum.

June 2009

Memo

To: Paul Cantor, Chair, Board of Governors
From: Sam Schwartz, Chair, Academic Resources Committee
Date: September 14, 2009
Re: President's Report on Appointments, Tenure and Promotion



The Academic Resources Committee recommends

that the Board approve the President's September 2009 report on Appointments, Tenure and Promotion.

This report focuses on tenure and promotions decisions since the Committee's June 2009 meeting. Dr Shoukri confirms that tenure and promotion decisions followed due process and that the advice of the appropriate bodies was considered. Appointments reflect strategic academic planning priorities.

Documentation is attached as Appendix A.

Appendix A
 Recommendations for Appointment, Tenure and Promotion

I. Recommendations for Appointment

Name	Department, Field	Rank	Highest Degree	Research Agenda/Specialization
Full-Time Faculty and Librarians				
Liberal Arts and Professional Studies				
Hyndman, Jennifer (F) July 1, 2009	Social Science (60%)/Geography (40%), Forced Migration and Globalization Studies	Full Professor with tenure	PhD, Geography (UBC, 1996)	Dr. Hyndman comes to us from Simon Fraser University where she held the position of Associate Professor after having spent two years (January 2007 to December 2008) as a Full Professor at the University of Syracuse. Hyndman's research is in the field of forced migration and refugee studies, with a secondary specialization in feminist analysis and geopolitics. It is expected that she will take a leadership role in the Centre for Refugee Studies at York.
Blumberg, Marcia (F) July 1, 2009	English	Assistant Professor, Candidacy I	PhD, English (Yode, 1996)	This appointment was made through the CUPE Conversion program. Dr. Blumberg is a specialist in South African drama with a broad range in modern drama and the history of dramatic forms.
Clements, Elicia (F) July 1, 2009	Humanities (60%)/English (40%)	Assistant Professor, Pre-candidacy 1	PhD, English (York, 2003)	This appointment was made through the CUPE Conversion program. Dr. Clements scholarly strengths are in the literature and culture of the twentieth century, particularly that of British and American Modernisms.
Fine Arts				
Westray, Ronald (M) July 1, 2009	Music, Oscar Peterson Chair in Jazz Performance	Assistant Professor, Pre-candidacy 3	MA, Music (South Carolina, 1992)	Professor Westray comes to us from the University of Texas at Austin where he has held the position of Assistant Professor, Jazz Trombone, Jazz Studies and Music Industry since 2005. He is a master teacher whose background in jazz encompasses classical jazz traditions and contemporary forms of improvisation such as hip hop. Professor Westray is an ideal individual to implement the outreach component of the Oscar Peterson Chair to the diverse community of the GTA.
Glendon				
Peguret, Muriel (cross with Education) (F) August 1, 2009	French Studies, French Immersion Education	Lecturer*/Assistant Professor, Pre-candidacy 1	PhD, French Immersion (Dalhousie, 2009)	Ms Peguret expects to complete the requirements for her PhD at Dalhousie University by December 2009. Her PhD thesis focuses on specific learning difficulties experienced by former French immersion students and ways to address them in a university setting. She has extensive knowledge of the historical and Canadian context of the immersion education system.
Health				

Scime, Anthony (M) July 1,2009	Kinesiology, Physiology	Assistant Professor, Pre- candidacy 1	PhD, Medical Sciences (McMaster, 1999)	Dr. Scimè comes to us from The Sprott Centre for Stem Cell Research , Ottawa Health Research Institute where he was a post-doctoral fellow since 2006. He was awarded the "Award of Excellence" from the Faculty of Medicine at the University of Ottawa in 2005 for postdoctoral research. His research expertise is in the areas of skeletal muscle and adipocyte stem cell molecular biology.
Schulich				
Levesque, Moren (F) July 1,2009	International Entrepreneurship	Associate Professor with tenure	PhD, Business (UBC,1998)	Dr. Levesque comes to us from the University of Waterloo where she was the holder of the Canada Research Chair in Innovation & Technical Entrepreneurship. Dr. Levesque's research interests focus on international aspects of entrepreneurship; rivalry in emerging markets; and, using stochastic models to understand entrepreneurial processes including market entry, decision making, time allocation and models.
Contractually Limited Appointments				
LA&PS				
Hill, Gus (M) August 1, 2009 for 11 months	Social Work	Sessional Assistant Professor	PhD, Social Work (Wilfrid Laurier) 2008)	Dr. Hill has recently been employed as Executive Director at the Anishnabeg Outreach Employment and Training Inc. and as a Clinician at K-W Counselling. He has taught several courses at Wilfrid Laurier since 2006. His research interests are in research methods, statistics, aboriginal perspectives in social work, and the use of self and the holistic healing model in the aboriginal field.
Skau, Bente (F) August 1,2009 for 11 months	Social Work	Sessional Assistant Professor	PhD, Social Work (Wilfrid Laurier, 2007)	Dr. Skau has been teaching part-time at Wilfrid Laurier and York since 2000 and has been a social worker with the Halton Trauma Centre since 2003. Her research agenda concerns the impact of pornography on child sexual development. Her particular focus is the incidence of pornography exposure in children and youth and the relationship of this exposure to the social construction of sexuality.
Fine Arts				
Berzins, Andrew (M) September 1, 2009 for 9 months	Film, Screenwriting	Sessional Assistant Professor	BA,Drama (Queen's 1979)	Mr. Berzins brings with him over 15 years experience as a professional screenwriter and story-editor. His background includes being listed as one of the top ten writers by the Writers Guild of Canada, four Genie nominations and a recent feature <i>Beowulf and Grendel</i> was a finalist for the Canadian Screenwriting Awards in 2006.
Glendon				
Tatoutchoup, Didier (M) August 1, 2009 for 10 months	Economics	Sessional Lecturer*	PhD, Economics (Montreal, 2009)	Mr. Tatoutchoup expects to complete his PhD in the Fall 2009. His fields of specialization are in natural resources and environmental economics, microeconomics theory and industrial organization.

Roncallo, Alejandra (F) <i>September 1, 2009 for 10 months</i>	International Studies	Sessional Assistant Professor	PhD, Political Science (York, 2006)	Dr. Roncallo held a one-year Lecturer position at Western Ontario in 2006-07 and since then has taught part-time at Ryerson, U of T and York. Her research interests are in history, public and international affairs, political science and public administration.
Health				
Robbio, Ruth (F) July 1, 2009 for 3 years	Nursing	Sessional Assistant Lecturer*	PhD, Nursing (Toronto, the)	This position is in the alternate stream. Ms Robbio most recently held a contractually limited appointment at York that ended June 30, 2009. She just completed her first year of the doctoral program in Nursing at U of T. She specializes in nursing theories, the human science paradigm, and cooperative oersoectives.
Ross, (F) July 1, 2009 for 3 years	Nursing	Sessional Assistant Lecturer	MSc, Public Health (London UK, 1995)	This position is in the alternate stream. Ms Ross has worked in sessional teaching positions in nursing at Western and McMaster and, since 2007, at U of T and York. Her background provides a strong foundation in the theoretical and empirical basis of health promotion including population health, social determinates of health, collaborative approaches to wellness, health education, empowerment theory, healthy public policy and social research.
McCauley, Dianne (F) July 1, 2009 for 3 years	Nursing	Sessional Assistant Lecturer*	EdD, Health Policy\Health Education (D'Youville,2010)	This position is in the alternate stream. Ms McCauley most recently held a contractually limited appointment at York that ended June 30, 2009. She expects to complete her degree from D'Youville College, Buffalo by May 2010. She specializes in the human science paradigm guided by humanistic nursing theorist such as Jean Watson and Paterson and Zderad.
Askin, Susan (F) July 1, 2009 for 3 years	Nursing	Sessional Assistant Lecturer*	PhD, Nursing (McMaster, tbc)	This position is in the alternate stream. Ms Askin has been teaching part-time at McMaster since 2005 while working on her PhD. Her clinical and teaching experience focus in community health with interests in population health and health promotion.
Jamani, Neemera (F) July 1, 2009 for 3 years	Nursing	Sessional Assistant Lecturer	MA,Nursing (Windsor, 2008)	This position is in the alternate stream. Ms Jamani has held a clinical coordinator position at St. Michael's Hospital in the Progressive Renal Disease Clinic and a position as Staff R.N./Patient Educator at the London Health Sciences Centre. She held the position of Clinical Course Director for the second entry BScN at York in 2008.
Science and Engineering				
Durant, Darrin (M) July 1, 2009 for 3 years	Natural Science, STS	Sessional Assistant Professor	PhD, Science & Technology Studies (Toronto, 2008)	Dr. Durant most recently held a contractually limited appointment at York that ended June 30, 2009. His research program is in science policy related matters which includes both empirically-based research into nuclear waste disposal and the Dolitics of choices.
Mills, Alexander (M) July 1, 2009 for 3 years	Natural Science, Biology	Sessional Assistant Professor	PhD, Ecology (Toronto, 2006)	Dr. Mills has most recently held positions at Acadia University as a Post-doctoral Associate and at Laurentian University as a Sessional Lecturer. He has also taught at Cape Breton University and Windsor. His research interests are in cell biology, genetics, environmental biology and evolutionary

Czaban, Barbara (F) July 1, 2009 for 1 year	Science, Biology	Sessional Assistant Lecturer	PhD, Cell Biology (York, 1994)	This position is in the alternate stream. Dr. Czaban most recently held a contractually limited appointment in Biology at York which ended June 30, 2009. Her specialization is in biological sciences, including general biology, cell and molecular biology, anatomy and physiology, histology and evolution.
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II. Recommendations for Promotion to Full Professor

Name	Faculty	Unit (If Applicable)	Highest Degree (University)	Specialization(s)
Anam, M (M)	Liberal Arts and Professional Studies	Economics	PhD Carleton	Applied Micro Economics, Trade & Development Economics
Condon, M (F)	Osgoode		JSD Toronto	Feminist legal Studies, Corporate, Securities, Law, Pensions
Homsey, R. (M)	Science and Engineering	Computer Science	D. Phil Oxford	Computer Science & Engineering
Lotherington, H (F)	Education		PhD Toronto	Multilingual Education
McKinnon, P. (M)	Fine Arts	Theatre	MFA Texas at Austin	Theatre Design
Okafor, O. (M)	Osgoode		PhD British Columbia	Human Rights in Africa, Third World approaches to International Law
Organ, M. (M)	Science and Engineering	Chemistry	PhD Guelph	Organic Chemistry
Richardson, B. (M)	Osgoode		PhD Australian National	Aboriginal law, Environmental Law, Corporate Social Responsibility

III. Recommendations for Tenure and Promotion to Associate Professor

Name	Faculty	Unit (If Applicable)	Highest Degree (University)	Specialization(s)
Anderson, C (F)	Fine Arts	Dance	MA York	Dance Writing, Performance Choreographer
Baljko, M (F)	Science and Engineering	Computer Science	PhD Toronto	Computer Science
Bernardi G. (M)	Glendon	Multidisciplinary Studies	Doctorat 3 Paris, Sorbonne	Drama Studies
Bohr, Y (F)	Health	Psychology	PhD QISE Toronto	Clinical Development
Carbonell, P. (F)	Liberal Arts and Professional Studies	School of Information Technology	PhD Murcia	Marketing
Corcos, E (F)	Glendon	Psychology	PhD Toronto	Educational Psychology
Cumming, P (M)	Liberal Arts and Professional Studies	Humanities	PhD Western	English
Erutku, C. (F)	Glendon	Economics	PhD Laval	Industrial Organizational, Applied Microeconomics, Antitrust
Fang, T. (M)	Liberal Arts and Professional Studies	Administrative Studies	PhD Toronto	Human Resources Management
Ferrara, I. (F)	Liberal Arts and Professional Studies	Administrative Studies	PhD York	Applied Microeconomics. Public Economics, Resource Economics

Fisher, C (F)	Fine Arts	Film	PhD York	Digital Media
Fisher, J. (F)	Fine Arts	Visual Arts	PhD Concordia	Visual Arts
Fraser, G. (F)	Science and Engineering	Biology	PhD Memorial, Newfoundland.	Ecology/ Biology
Goldberg, J. (M)	Health	Psychology	PhD Waterloo	Clinical Psychology
Greyeyes, M. (M)	Fine Arts	Theatre	PhD Kent State	Acting
Greyson. J. (M)	Fine Arts	Film	PhD Toronto	Production
Hall, P. (M)	Science and Engineering	Physics and Astronomy	PhD Arizona	Astronomy
Holmes, J.T (F)	Liberal Arts & Professional Studies	Anthropology	PhD Virginia	Tourism Studies, Historical Anthropology, Kinship and Culture
Hudson, A. (F)	Fine Arts	Visual Arts	PhD Toronto	Visual Arts
Iannacito-Provenzano, R (F)	Liberal Arts and Professional Studies	Languages, Literatures & Linguistics	PhD Toronto	Italian Studies
Kelly, S. (M)	Science and Engineering	Biology	PhD Chinese University of Hong Kong	
Kristal, M (M)	Schulich		PhD North Carolina	Operational Management
Loeppky, R (M)	Liberal Arts and Professional Studies	Political Science	PhD York	Comparative & International Political Economy/ Health Politics
McArthur, D (M)	Liberal Arts and Professional Studies	Philosophy	PhD Ottawa	Philosophy of Science & Philosophy of Physics. Science, Technology & Applied Ethics
McCullough, J (M)	Fine Arts	Film	PhD Dalhousie	Cinema & Media Studies
Noble, B (M)	Liberal Arts and Professional Studies	School of Women Studies	PhD York	English
Norwood, A (F)	Fine Arts	Design	MGD Carolina State	Information Design
Persram, N (F)	Liberal Arts and Professional Studies	Social Science	PhD Wales	Social & Political Thought
Pillai Riddell, R (F)	Health	Psychology	PhD British Columbia	Clinical Development
Roberge, I. (M)	Glendon	Political Science	PhD Guelph	Comparative Public Policy
Roy, M(M)	Glendon	Mathematics	PhD Gottingen	Dynamical Systems, Ergodic Theory
Scheid, M. (M)	Science and Engineering	Biology	PhD British Colombia	
Slinn, S (F)	Osgoode		PhD Western Ontario	Industrial Relations, Contracts Labor Law, Employment Law
Storry, C. (M)	Science and Engineering	Physics and Astronomy	PhD York	Physics
Tahani, N. (M)	Liberal Arts and Professional Studies	Administrative Studies	Hec Montreal	Finance
Tam, H. (M)	Liberal Arts and Professional Studies	Economics	PhD Harvard	Fiscal Policy and Political Economy, Economic Growth and Development; Labour and Demographic Economics, Financial Economics and Corporate Governance

Taylor, W. (F)	Science and Engineering	Physics and Astronomy	PhD Toronto	Physics
Toratani, K (F)	Liberal Arts and Professional Studies	Languages, Literatures & Linguistics	PhD Buffalo New York	Linguistics
Tregunno, D (F)	Health	Nursing	PhD Toronto	Health Care Management & Organizational Behaviour
Van Harten, G (M)	Osgoode		PhD London School of Economics	Investment Law & Arbitration, Administrative Law, International Law.
Vickerd, B. (M)	Fine Arts	Visual Arts	MFA Victoria	Visual Arts
Wootten, C (F)	Fine Arts	Dance	MA York University	Contemporary Ballet & Dance Education
Zhu, H (F)	Science and Engineering	Mathematics & Statistics	PhD Waterloo	Applied Mathematics

IV. Recommendation for Tenure at the Rank of Associate Professor

Latham, R(M)	Liberal Arts and Professional Studies	Political Science	PhD New School for Social Research	International Relations, Security Studies, Political Economy
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Board of Governors

COMMUNITY AFFAIRS COMMITTEE

Report to the Board of Governors
at its meeting of October 5, 2009

The Community Affairs Committee met on September 16, 2009 and makes the following report to the Board of Governors for information:

Task Force on Student Life, Learning and Community:

The committee reviewed the report of the task force and engaged with Vice President Monahan in a discussion of the findings. While the committee commended Vice President Monahan on the spirit and content of the report and was aware that some of the recommendations are for actions already underway, it also acknowledged the difficulty of implementing some of the recommendations, both in terms of university culture, and of cost. Particular comments were provided on the desirability of better communication with students and specifically the use of social media.

Iacobucci Study:

President Shoukri advised the committee of his having asked Justice Iacobucci to look at how academic conferences are and should be organized at the university, with a view to developing some guiding principles for decision making in the future. A report is expected by the end of November.

Reputational Issues: Review of the Ipsos Reid Poll Results:

Mr. Fisher presented the results of the second round of the omnibus poll in July of 1000 voting age Ontarians in which the university had participated in order to understand what issues might affect students' choice to come to York University. While the percentage of people who said they would not want to attend York or recommend enrollment to a family member declined since March, almost one in four cited the recent strike as the main reason. As memories of the dispute subsided during the four month period, positive views about York increased.

Enrolment Update:

Vice President Tiffin provided an overview of the enrolments to date, noting that because drop dates had not yet come and gone, the data remain somewhat soft. The university has met undergraduate enrolment targets in terms of number of students without a drop in the grades cut off for admission. There has been growth in the non secondary school admissions which may affect the number of courses which will be taken in the years going forward: Many of these students do not traditionally take full course loads. There is concern that a larger number of offers were accepted by applicants from the lower end of the admissible grade range, and that there has been a reduction in the acceptances from honors students, particularly in the Faculty of Liberal Arts and Professional Studies. This is of concern because students in the non secondary school pool have a greater rate of drop out and students at the lower end of the acceptance range have a greater need for academic support services. This trend will be the subject of further study to determine what actions can be taken in the future. As planned, the number of international students exceeds the target set last year. The tuition fee credit option provided to students had a greater than expected take up rate, but 86% of those choosing the option have now enrolled and are using the credit. This term, the university will have for the first time a Fall reading week during which no classes will be held. Many other academic and non academic activities will be scheduled, including extra support services for students who may need help at a difficult time of the term.

Academica Study of Applicants:

This study invites all high school students applying for admission to Ontario universities to participate in a survey, and more than 1200 York students participated in the most recent round. Because not all universities participate, it is difficult to rely on the results for benchmarking, but the results are still of interest. The data for York indicate that fewer than 50% of York parents have university education, that a higher than average number of York students see the bachelors degree as their highest academic aspiration, that parents and high school teachers have a greater influence on university choice than other factors such as rankings, and that career preparation and advancement figure strongly in York students' reasons for post secondary education. The top sources of information and influence are the York web site and other portals. Applicants to York approved of the York booth at the applications fair and the open houses hosted by the university and had a positive preliminary opinion of the campus and the student experience. The choice of programs and the institutional reputation remain two key factors in the students' choice of York and lead the university to focus on these two important factors.

ROBERT LEWIS
Chair

FINANCE AND AUDIT COMMITTEE

Report to the Board of Governors
at its meeting of October 5, 2009

The Finance and Audit Committee met on September 21, 2009 and in addition to the item on the agenda for action, submits the following report to the Board of Governors for information:

1. Internal Audit Report

The Committees received an Internal Audit Status report from the Director of Internal Audit covering the period June 1, 2009 to August 31, 2009, including a detailed corrective actions status report. The department undertook 15 audit engagements, of which 7 have been completed. The implementation of the corrective actions from recently completed audits are either *completed* or *generally on schedule* for the majority of units. The area of research management practices is *behind schedule* in responding to its corrective actions due in part to the recent change to the senior administrative structure (introduction of the Provost role) and the ongoing VPRI-Ied review of the University's research centre model and policy framework. Focus is being turned to these issues to facilitate progress on the audit recommendations.

The Internal Audit department is also continuing work on the development and implementation of the Risk Management Initiative.

2. Legislative Compliance

The Director of Internal Audit, Bruno Bellissimo, and the University Secretary and General Counsel, Harriet Lewis, recently undertook a review of Legislative Compliance at the University. The objective of this review was to develop relevant internal legislation for York along with the associated inherent risks, identify the parties responsible for compliance with this legislation, and determine an approach for monitoring compliance on an ongoing basis.

The review identified a total of 22 Federal Acts, 56 Provincial Acts, and 21 Municipal By-Laws that pertain to York University. Of these, 13 Provincial and 2 Federal Acts were noted as being inherently higher-risk for the University, taking into account such factors as likelihood of occurrence, consequence, and impact of non-compliance.

The review identified that there are mechanisms in place at York to help ensure compliance with each of these 15 Acts, with guardianship assigned to the various responsible departments. There is reasonable qualitative assurance that the mechanisms for ensuring compliance are generally appropriate. The degree of compliance will be verified by conducting a series of future audits on each of the Top 15 Acts. In addition, an annual legislative compliance report will be shared with the Board Finance and Audit Committee and the Board, for continuous monitoring purposes.

3. Ancillary Results for the Year Ended April 30, 2009

In the review of the 2008-09 Financial Statements at the Board of Governors meeting in June, it was reported that a decline in ancillary operations revenue for the 2008-09 year was emerging. The Committee received at its

September 2009 meeting, the final year-end Ancillary Operations report on the housing, food services, recreation facilities, book store, printing and parking operations. After two consecutive years where results were favourable to projections, the ancillary operations results for the fiscal year ended April 2009 reported a net loss of \$4.42 million, which was \$5.74 million unfavorable to the approved Ancillary Operations Plan. A major factor that influenced the ancillary operations results for the current year was the impact of the extended labor disruption which resulted in the deferral of revenue for residences and lower utilization of daily parking permits. However, the residence revenue that was deferred and the lower parking revenues are expected to reverse favorably into the current year's results. In addition, the considerable turmoil in capital markets negatively impacted the operation of the Executive Learning Centre at the Schulich Executive Education Centre. Efforts are being focused on identifying improvements in the operation of the ELC.

4. Multi-Year Budgeting Planning

Budget pressures was a constant theme for the University in 2008-09, and consequently the Vice-President Finance and Administration regularly updated this Committee and the Board on the impact the external and internal factors were having on the University operations and budget. The challenging fiscal environment is continuing and budget planning reports to the Committee will be a standing item on the Finance and Audit agenda for the coming year. A status report for the Board follows.

Endowment and Pension Fund Performance

The *Endowment Fund* suffered significant losses in investment returns and the depletion of the endowment fund reserve in 2008-09 due to the profound impact of market conditions. For fiscal 2009 the fund experienced a -19% decline in book market value and a -26% decline for 2009 calendar year to July 31, 2009.

In April of this year the Board approved changes to the normal distribution policy which included deferrals for first time payouts, the suspension of capital protection, and a reduction to the distribution rate to 3% of those endowments that had market to book value ratios of 90% or greater.

The recent multi-year budget approved by the Board in June 2009 included operating budget funding to support the reduced level of distribution that was required when the consolidated endowment position was not able to meet its normal level of distribution. Budget allocations totaling \$3 million were approved for the 2009-10 and 2010-11 fiscal years to support salaries for research chairs and the reduced level of funding available for student awards.

On a positive note, since May there has been a consistent trend of positive returns for the fund.

The funded status for the *Pension Fund* was similarly significantly impacted by the investment performance last academic year, as well as changes required to the actuarial assumptions. The Fund also experienced a decline of approximately -19%. Markets across the world have rallied sharply during 2009, and the Pension Fund has posted positive gains in the last consecutive six months.

The University engages the services of an actuary to determine annually the funded status of the Plan and to identify whether the assets in the Fund are sufficient to meet the pension obligations. The last valuation was filed for 2007 and reported a deficiency of \$44.1 million. The next valuation must be filed for 2010 in September of 2011. The University, through the Council of Ontario Universities, is working with a consultant to engage the Government in assisting Universities with these significant budget pressures.

The University will continue to monitor the investment performance of both the Endowment and Pension Funds. Regular updates will be provided to the Board throughout the year.

2009-2010 Undergraduate Enrolments

Last spring undergraduate enrolments were projected to see a 15% decrease in first year intake and significant reductions in retention of upper year students. However both first year intake and upper year retention results are better than expected; as of early September total enrolments are running 2.3% above targets. Concrete information on Full Time Equivalents (PTE) and Basic Income Unit (Bill) levels will be available in October. Despite the drive to meet targets the grades cut-off for admissions to the University was maintained.

Net Asset Deficit Planning

The 2009-2009 Financial Statements (approved by the Board in June) show an increase in net asset deficit from \$35 million in fiscal 2008 to \$120 million in fiscal 2009 primarily resulting from the strike delayed collection of tuition revenue. The Board was advised at the time that the amount would be reduced by \$55 million in the 2010 statements. Management confirmed that the \$55 million deferral has fully reversed itself at this point in fiscal 2010 and, that the actual Net Assets are tracking to Plan.

The elements that impact the University's unrestricted net asset deficit plan include the Operating Fund; Ancillary Fund; Capital Fund, the York University Foundation and the York University Development Corporation. The overall Net Asset Plan is informed by a framework of Principles for each of the above individual elements. Going forward, the 2009 Long-term Ancillary Plan will come to the Board for approval in December; the Long-term Capital Project Plan will be presented in Spring/Summer 2010 to align with the Provostial White Paper; and Consolidated Net Assets will be updated in Spring/Summer 2010.

5. Capital Planning Update

The shortage of space at the University remains a critical issue, including student space, classroom/lab, research, library and recreation spaces. In spite of the recent spate of building and renovation projects on the Keele and Glendon campuses, York remains significantly below the system average for total space per student. It is expected that the Provostial White Paper will identify academic priorities which will in turn generate updated capital priorities and a Capital Project and Financing Plan in the Spring/Summer of 2010.

6. Annual Report on York University Pension Plan and Fund

The Committee received from the Vice-President Finance and Administration the 2008 Annual Report on the York University Pension Fund pursuant to the annual reporting requirements in the York University Pension Plan and the Pension Reporting Policy. The Committee is presenting the report for the information of the Board of Governors. It is attached as Appendix A.

7. First-Quarter Operating Results

The Committee received the 1st Quarter Operating Report from the Vice-President Finance and Administration. There are no significant operating budget issues to report. Operating revenues are running ahead of last year largely due to the realization of revenue for grants and tuition related to the strike in fiscal 2008-2009. Approximately \$54 million deferred from the 2008-2009 academic year has been recognized in the revenue in the first quarter. Operating expenditures are also running higher than last year. Research grants are lower in comparison to the same period last year, partly due to the expiry of a number of large contracts and a variance in the timing of receipt of award notices from granting councils; some of this shortfall is expected to reverse in the next quarter. Student accounts receivable are substantially flat over the prior year, and cash and short-term investments continue to strengthen due to higher revenues from tuition fees and capital reserve balances.

*David Denison
Chair*



Office of the
Vice-President
Finance and
Administration

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Memo

To: Board Finance and Audit Committee

From: Gary Brewer, Vice-President Finance and Administration
David Tsubouchi, Chair, Pension Fund Board of Trustees

Date: September 21, 2009

Subject: **Annual Report on York University Pension Plan and Fund**

2008 was a devastating year in the capital markets and had a profound negative impact on the value of the assets in the pension fund and the funded status of the plan.

The funded status of the plan deteriorated significantly with an increase in the deficit to \$265.6 million at the end of 2008 from \$44.1 million at the end of 2007. This staggering increase in the deficit is primarily the result of a net fund return of -19.2%, due to the near collapse of the capital markets in 2008.

The actuarial valuation report at December 31, 2008, with the deficit results shown above, is not required by legislation to be filed with the provincial regulators, and will not be filed, so contribution requirements for 2009 and 2010 remain at the same level as for 2008. The total employer contributions in 2009 are expected to be approx. \$33.9 million (2008 \$33.8 million).

It's important to note that, if the valuation report as at December 31, 2008 would have been filed, the University contribution requirements would have been \$96.6 million for 2009.

York's Pension Plan continues to provide benefits for its beneficiaries with over \$60 million paid out in 2008. The majority of retirees to date receive more than the defined benefit minimum guarantee benefit (approx. 78%); however, this percentage is expected to reduce dramatically over the coming years, with the actuary projecting that 98% of active members will retire with a minimum guarantee pension.



The pensioners will receive a 0% increase for January 1, 2009 (when the average rate of return over the last four years is higher than 6%, the pensioners receive the difference as an increment), and it is anticipated that there will be no adjustments for the foreseeable future.

The market value of the Pension Fund was \$1.06 billion at the end of 2008, a reduction of approx. \$262 million over the year. The Fund has generally met its objectives over the years; however these objectives are getting harder to achieve each year.

In order to meet the Fund objectives as stated in the Statement of Investment Policies and Procedures (SIP&P), the Fund requires an annual return of 6%, net of inflation. It is acknowledged that this return target is unrealistic within the current and expected future investment environment and given the moderate risk level of the Fund.

In 2008 a comprehensive risk management / asset allocation review of the investment policies for the Pension Fund was undertaken. The primary objective of this project is to review the current asset allocation policy and consider other potential policies to determine what changes may be implemented to better achieve the investment and risk objectives of the Pension Fund. This project continues in 2009.

The attached report comprises the annual reporting requirements for the Board of Governors from the Vice-President Finance and Administration and from the Pension Fund Board of Trustees, in accordance with the York University Pension Plan and Fund Terms of Reference and Pension Reporting Policy approved by the Board of Governors in February 2003.

Included in this report are the following documents:

- Annual Report from the Vice-President Finance and Administration for the Board of Governors
- Funding Valuation Summary as at December 31, 2008, prepared by the actuary
- Annual Report from the Pension Fund Board of Trustees for the Board of Governors
- Audited Pension Fund Financial Statements at December 31, 2008
- Statement of Investment Principles, March 2008
- Statement of Investment Policies and Procedures, April 2008



YORK UNIVERSITY PENSION PLAN

2008 Annual Report

from the

Vice-President Finance & Administration

for the

Board of Governors

September 2009

2008 Annual Report from VP Finance and Administration to Board of Governors

Introduction

York University is both the Plan Sponsor and the legal Plan Administrator of the York University Pension Plan and acts as both employer and fiduciary with respect to the pension plan and is responsible for its overall management. To discharge its duties, the University acts through the Board of Governors who has delegated specific Plan administration tasks to the Vice-President Finance & Administration who, in turn, has delegated tasks to employees of the University and to various agents that have been retained to assist in carrying out duties in respect of the Plan.

Annual Report Requirements

This is the annual report from the Vice-President Finance & Administration to the Board of Governors as per the Pension Reporting Policy that was approved in February 2003 by the Board of Governors as part of the Terms of Reference for the York University Pension Plan & Fund. This report provides the required information to the Board of Governors to support the Board's monitoring and oversight responsibilities as outlined in the Terms of Reference.

The Pension Reporting Policy states that:

"Annually, the Board of Governors shall receive a written report from the VPF&A covering the following items:

- a) Achievement of the Plan Mission;
- b) Actuarial funding valuation results, assumptions used, and the funded status of the Plan (Le. surplus/deficit level);
- c) Summary of contributions made during the year;
- d) Summary of approved changes to the Pension Plan Text and Funding Policy, as applicable;
- e) Compliance with legal and regulatory requirements for the Pension Plan.

Every three years or sooner, if circumstances warrant it, the Board of Governors shall receive a report from the VPF&A containing:

- a) An assessment of the continued appropriateness of the Plan Mission, which incorporates the effectiveness of the pension benefit, funding, and investment policies;
- b) An assessment of the effectiveness of the "pension governance system."

2008 Annual Report 'from VP Finance and Administration to Board of Governors

Achievement of Plan Mission

The Plan Mission, as stated in the York University Pension Fund Statement of Investment Policies and Procedures (SIP&P) is:

"The York University Pension Plan was established by York University to provide pension benefits to its faculty and staff. The Plan's purpose is to provide a high standard of pension benefits, at a reasonable cost, as an essential element of the University's compensation policy. The Plan's assets provide security that benefit entitlements will be paid."

This has been achieved. In 2008 the pension plan provided almost \$60.3 million in pension, death, and termination benefits (up from \$54.8 in 2007). The University contributions into the pension fund totalled almost \$33.8 million in 2008, an increase from \$29.7 million in 2007.

As of the end of 2008, the Plan had over 4,200 active members, over 1,700 retirees, and approx. 1,300 terminated members with deferred pensions.

It is important to note that the ability to achieve this mission, specifically to be able to provide pensions "at a reasonable cost", is becoming increasingly difficult and may not be sustainable going forward.

Actuarial Valuation Results, Assumptions, and Funded Status of the Plan

2008 was a devastating year in the capital markets and had a profound negative impact on the value of the assets in the pension fund and the funded status of the plan.

During 2008 the funded status of the plan has significantly deteriorated, with a deficit at the end of 2008 of \$265.6 million (2007 \$44.1 million). This staggering increase in the deficit is the result of a shortfall in the investment return of 25.7% (expected return of 6.5% less actual net return of -19.2%) due to the near collapse of the capital markets in 2008; mitigated slightly by the net effect of changes to the mortality assumptions and pensioner valuation method. The funded status of the plan on a wind-up basis (which assumes the University becomes insolvent and the pension plan is wound up and would drive the University contribution requirements) is \$281.4 million (2007 \$27.8 million).

Previously planned changes to the mortality table to reflect increased longevity of pensioners continued to be phased in, and the Pensioner Valuation methodology was modified to the expectation that, due to the significant negative return in 2008, pensioners will not receive any indexing increments for the foreseeable future.

It is important to note that the actuarial valuation report at December 31, 2008 with the results shown above, is not required by legislation to be filed with the provincial regulators, and will not

2008 Annual Report from VP Finance and Administration to Board of Governors

be filed, so contribution requirements for 2009 and 2010 remain at the same level as for 2008. Estimates of contribution requirements if this valuation report had been filed can be found in the attached Funding Valuation Summary as at December 31, 2008.

The University continues to contribute 103% of member contributions to each member's money purchase account; this is expected to total approx. \$17.7 million for 2009 (2008 \$17.1 million). The University is also required to contribute the cost of the minimum guarantee benefits that will accrue in the Pension Plan during 2009, estimated to be approx. \$11.4 million (2008 \$11.0 million). In addition, to fund the deficit that existed at the end of 2007, the University is required to continue make special payments of approx. \$4.8 million a year (2008 \$4.9 million) at least until the next valuation.

The total employer contributions in 2009 are expected to be approx. \$33.9 million (2008 \$33.8 million) and the contribution rate remains at approx. 198% of employee contributions.

The contribution rates for plan members remain the same at 4.5% of earnings up to the YMPE (year's maximum pensionable earnings) plus 6% of earnings above the YMPE. Total employee contributions (not including additional voluntary contributions) are expected to be approx. \$17.2 million in 2009 (2008 \$16.6 million).

For more details, see the attached Funding Valuation Summary as at December 31, 2008 prepared by the Plan actuary, Mercer Human Resource Consulting.

Summary of Contributions

The table below shows the contributions that were made into the Pension Fund for 2008 and for 2007:

	2008	2007
Employer:		
Money purchase component contributions	\$ 17,867,078	\$ 17,067,521
Minimum guarantee contributions	\$ 11,030,570	\$ 10,587,508
Special payments to fund deficit	\$ 4,891,230	\$ 2,076,000
Employees:		
Regular contributions	\$16,671,077	\$ 16,052,592
Additional voluntary contributions	\$ 402,235	\$ 311,223
Transfers in from other plans	\$ <u>1,911,989</u>	\$ <u>1,309,197</u>
Total	\$ 52,774,178	\$ 47,404,039

2008 Annual Report from VP Finance and Administration to Board of Governors

Changes to the Plan Text and Funding Policy

There were no amendments or changes to the plan text in 2008.

The York University Pension Plan funding policy is implicit in the valuation process followed, and the resulting actuarial valuation report. As noted above, changes were made to some key actuarial assumptions; see the attached Funding Valuation Summary as at December 31, 2008 for more details.

Legal and Regulatory Requirements

The University believes that the Pension Plan has been administered in accordance with the terms of the Plan and legislative requirements.

Pension legislation requires the Plan Administrator to provide information to individual pension plan members as well as to the regulators. The legislation specifies the documents to be provided, the specific information to be provided in the documents, and the time frame in which these are to be provided.

Each plan member must receive an annual pension statement, and a statement in the event of a termination, death, retirement, or marriage breakdown. These statements have been provided in accordance with legislative requirements and within the specified time frames.

The legislation requires that the following documents be filed with the regulators: Annual Information Return, audited financial statements, and income tax return on an annual basis; actuarial report at least every three years; plan registration, plan amendments, and notice of plan termination or wind-up, as applicable. The required documents, as applicable, have been filed in accordance with legislative requirements, including the required information and payments, as applicable, and within the specified time frames.

Employer and employee contributions have been remitted to the custodian as required and within the specified time frames.

York University Pension Plan Funding Valuation Summary as at December 31, 2008

Summary of Major Findings

- Return on assets for 2008 is -19.2429%, lowest in plan history (consistent with other plans reflecting global markets)
- The actuarial valuation as at December 31, 2008 was not filed with the Financial Services Commission of Ontario or the Canada Revenue Agency; next required valuation filing date is December 31, 2010
- Ongoing unfunded liabilities increased from \$44.1 million at December 31, 2007 to \$265.6 million at December 31, 2008 due to negative investment experience in 2008
- Wind-up deficiency increased from \$27.8 million at December 31, 2007 to \$281.4 million at December 31, 2008 due to negative investment experience in 2008
- 2009 actuarial cost of benefits (excluding member contributions) estimated to be \$33.3 million or 194% of member contributions vs. \$28.0 million or 169% of member contributions for 2008
- Unfunded liability special payments would have increased to \$27.9 million per annum as a result of the increase in the unfunded liability had the December 31, 2008 valuation been filed with the regulators vs. \$4.8 million per annum being paid on the basis of the last filed valuation as at December 31, 2007. In addition, solvency deficiency special payments of \$35.4 million would be required pursuant to the December 31, 2008 actuarial valuation. No solvency deficiency special payments are currently being made based on the results of the December 31, 2007 actuarial valuation.
- Minimum employer cash contributions for 2009 would have been \$96.6 million were the December 31, 2008 valuation filed with the regulators (compared with actual employer contributions of \$33.8 million in 2008).

- **If** the December 31, 2008 valuation was filed, solvency funding relief measures could be used (ie. use of a 10-year amortization vs. a 5-year amortization period for new solvency deficiency with member/retiree consent) to reduce the annual employer contribution requirement by approximately \$27.9 million from \$96.6 million to \$68.7 million
- Pensions payable were adjusted by -5.1408% effective January 1, 2009, based on 4 year average return of 0.5508%; no reduction to pensions paid
- Net growth of active membership was 33 during 2008, to 4,214. Net growth of pensioners during 2008 was 126 to 1,720.
- No change in plan provisions during 2008. -
- The following changes were made to the actuarial assumptions and methods for going-concern valuation purposes as at December 31, 2008:
 - The mortality table was changed to reflect increased longevity of pensioners
 - Pensions are valued at the current paid level with no additional provision for non-reduction; no future indexing anticipated based on valuation assumptions

Employer's Actuarial Cost of Future Benefits

	2009		2008	
	(000's)	% of Pay	(000's)	% of Pay
Money Purchase	\$17,715	5.66%	\$17,082	5.55%
Minimum Guarantee	\$14,106	4.51%	\$9,543	3.10%
Expense Loading	\$1,462	0.47%	\$1,410	0.46%
Grand Total	\$33,283	10.64%	\$28,035	9.11%

Financial Position on Going-Concern Basis (000'5)

	December 31, 2008	December 31, 2007
Market Value of Assets	\$1,060,455	\$1,320,388
Money Purchase Accounts	\$540,418	\$724,340
Defined Benefit Assets	\$520,037	\$596,048
Pensioner Liability	\$592,780	\$536,623
Active Member Minimum Guarantee Liability	\$192,855	\$103,541
Excess/(Unfunded Liability)	(\$265,598)	(\$44,116)

Significant Actuarial Assumptions on Going-Concern Basis

Interest Rate:	
- pre-retirement	6.50% per year
- post-retirement	6.50% per year (<i>previously 6% per year</i>)
Salary Scale	5.00% per year
Increase in YMPE	3.50% per year
Increase in Maximum Pension Limits	Limits prescribed up to 2009 and indexed at 3.50% per year starting in 2010
Non-reduction reserve	3.50% of basic pension liabilities
Mortality	Customized table based on 70% of mortality rates in the GAM 1994 table plus projection scale AA with mortality improvement rates limited to 1% per annum starting in year 2000 (sex distinct) (<i>previously 76% vs. 70% was used</i>)
Retirement Age	Age 65
Termination Rate	Based on 2004-2006 <i>liability-weighted</i> plan experience
Conversion Factors	Same table as mortality assumption above (unisex 65% male and 35% female) with 6% interest rate
Expenses	8.5% of member contributions

YORK UNIVERSITY PENSION FUND

2008 Annual Report

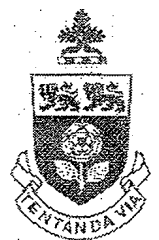
from the

Pension Fund Board of Trustees

for the

Board of Governors

September 2009



Introduction

York University is both the Plan Sponsor and the Plan Administrator of the York University Pension Plan. The Board of Governors has appointed a Pension Fund Board of Trustees (BoT) to discharge the Fund investment duties. These Trustees are appointed following nominations from employee groups, the Administration, and the Board of Governors. The Trustees have delegated tasks to a Sub Committee on Investment Performance (SCIP), to employees of the University, and others who have been retained to assist them in carrying out their duties in respect of the Fund.

Annual Report Requirements

This is the annual report from the Pension Fund Board of Trustees to the Board of Governors as per the Pension Reporting Policy that was approved in February 2003 by the Board of Governors as part of the Terms of Reference for the York University Pension Plan & Fund. This report also contributes to effective communication between the Pension Fund Board of Trustees and the Board of Governors.

In the Terms of Reference, the Pension Reporting Policy states that:

"Annually, the Board of Governors shall receive a written report from the Pension Fund Board of Trustees covering the following items:

- a) Achievement of the Fund objectives;
- b) Summary of approved changes to the Statement of Investment Policies and Procedures, other investment policies, and membership of the Pension Fund Board of Trustees and the SCIP made during the year, as applicable;
- c) Compliance of the Pension Fund Board of Trustees with the Trust Agreement and the Terms of Reference;
- d) The audited Financial Statements for the Pension Fund."

Achievement of Fund Objectives

	2008	2007	2006	2005	4 years
Gross Fund Return	-18.8%	-0.2%	14.3%	12.1%	0.9%
Net Fund Return	-19.2%	-0.5%	13.9%	11.7%	0.6%
Benchmark Return	-18.4%	0.3%	13.1%	11.8%	0.9%
Pensioner Increment*	0.0%	2.4%	6.1%	1.5%	2.5%
CPI	1.2%	2.5%	1.7%	2.3%	1.9%

*Applied January 1 of following year. The actual amount of the increase will differ among pensioners depending on retirement date. The 4-years number is the average annualized increase if a pensioner has been retired for the full 4-year period.

The Fund Objectives as per Section 3 of the Statement of Investment Policies and Procedures are:

- a) The Fund shall be managed on a going-concern basis with the primary objective of providing high rates of return, consistent with prevailing market conditions, a high quality standard of investment, and moderate levels of risk.
- b) The objective of achieving high long-term returns is subject to prevailing market conditions and the following goals and constraints:
 - securing minimum guarantee pensions for all active members while providing potential for growth in money purchase balances;
 - managing volatility for the money purchase balances of active members nearing retirement;
 - providing a reasonable level of inflation adjustment for pensioners.

These objectives have been partially achieved. 2008 was a devastating year with the Fund returning -18.8%. The rate of return for the Fund over the long run has generally been higher than the benchmark return, however the Fund slightly underperformed the benchmark in 2008. The volatility of these Fund returns has generally been lower than the volatility of the benchmark returns, though the Fund volatility has been increasing and is currently above the benchmark.

Measuring the security of minimum guarantee pensions vs. the potential for growth in money purchase balances can be challenging. One measurement, the percentage of retirees receiving a Money Purchase Pension (Without any supplemental minimum guaranteed amount), averages approx. 78% of retirements over the past 5 years. This measure has generally been increasing over the years, however, it is worth noting that this percentage is expected to reduce dramatically over the coming years, with the actuary projecting that 98% of active members will retire with a minimum guarantee pension.

The objective of providing an inflation adjustment for pensioners has not been achieved. The pensioners will receive a 0% increase for January 1, 2009, and it is anticipated that there will be no adjustments for the foreseeable future.

Changes to Statement of Investment Policies & Procedures (SIP&P) and Other Investment Policies

The Currency Hedging Investment Principle was changed to reflect that the Fund will hedge foreign currency exposures benchmarked to a 50% hedge ratio (updated March 2008, attached).

The SIP&P was changed to reflect this 50% strategic currency hedge (updated April 1, 2008, attached).

Changes to the Membership of the Pension Fund Board of Trustees

The Terms of Reference state that the term of office for Trustees shall be three years, with retiring members eligible for reappointment. In 2008, the following people became new members or were re-appointed to the Pension Fund Board of Trustees:

<u>New/Re-appointed Trustee</u>	<u>Replaced</u>	<u>Nominated by</u>
David Tsubouchi	Reappointed	Board of Governors
Bruno Bellissimo	Reappointed	President
Joanie Cameron Pritchett	Reappointed	YUSA
Giulio Malfatti	Reappointed	YUSA
Ellie Perkins	Reappointed	YUFA
Luis Figueiredo	Reappointed	CUPE 1356

Changes to the Membership of the Sub Committee on Investment Performance (SCIP)

In December 2008, Joanne Magee and Pauline Shum were reappointed as SCIP members. Randall Oliphant completed his four year term and did not seek re-nomination. There were no new members appointed in 2008. At the end of 2008, SCIP membership was as follows:

Guy Burry, Chair	Board of Governors and Pension Fund Board of Trustees
David Fowler	External expert, retired York University Finance Professor
Harry Gibbs	External expert
Joanne Magee	Pension Fund Board of Trustees
John Poos	External expert
Pauline Shum	York University Finance Professor
Terri Troy	External expert
David Tsubouchi	Board of Governors and Pension Fund Board of Trustees
Don Walcot	External expert
Walter Whiteley	Pension Fund Board of Trustees

2008 Annual Report from Pension Fund Board of Trustees to Board of Governors

Board of Trustees Compliance with Terms of Reference

Membership

The membership of the Pension Fund Board of Trustees at the end of 2008 was as follows:

<u>Trustee</u>	<u>Nominated by:</u>
Janet Rowe	YURA
Bruno Bellissimo	President, CPM
Guy Burry	Board of Governors
Joanie Cameron Pritchett	YUSA
Vacant	CUPE 1356-01
Mary Condon	OHFA
Bruce Dugelby	President
Luis Figueiredo	CUPE 1356
Patrick LeSage	Board of Governors
Joanne Magee	President
Giulio Malfatti	YUSA
Ellie Perkins	YUFA
David Tsubouchi, Chair	Board of Governors
Walter Whiteley	YUFA
Iouldouz Raguimov	CUPE 3903
Swavek Mejnarowicz	IUGE

Officers

David Tsubouchi continued as Chair throughout 2008.

Patrick LeSage continued as Vice-Chair throughout 2008.

Leona Fields, Manager, Pension Fund continued as Secretary throughout 2008.

2008 Annual Report from Pension Fund Board of Trustees to Board of Governors

Meetings

The Pension Fund Board of Trustees met 4 times in 2008 on the following dates. A quorum was present at all meetings. An attendance summary is below. Minutes were recorded for all meetings and are available for viewing in the Office of the Vice President Finance & Administration.

	Meeting Attendance	
	No.	%
March 27		
June 24		
October 2		
December 11		
Trustees		
Bruno Bellissimo	4of4	100
Guy Burry	4of4	100
Joanie Cameron Pritchett	2of4	50
Ed Ciantar	1of2	50
Mary Condon	4of4	100
Bruce Dugelby	4of4	100
Luis Figueiredo	0of4	0
Patrick LeSage	3of4	75
Joanne Magee	3of4	75
Giulio Malfatti	4of4	100
Swavek Mejnarowicz	4of4	100
Ellie Perkins	4of4	100
Iouldouz Raguimov	3of4	75
Janet Rowe	3of4	75
David Tsubouchi, Chair	2of4	50
Walter Whiteley	4of4	100

Approvals

In addition to the approved changes to the SIP&P reported above, the BoT made the following approvals:

Currency Hedging: A 50% strategic currency hedge was implemented April 1, 2008, hiring TDAM to provide a passive currency hedge overlay and changing Alliance Bernstein's benchmark to a 50% hedged benchmark.

Emergency Investment Manager Situation: In case of a sudden and adverse emergency situation related to an investment manager, a process was developed to address the situation and to ensure the Fund assets are protected and the investment policy can continue to be implemented effectively. The process was reviewed by SCIP and then approved by the Pension Fund Board of Trustees in December 2008.

2008 Annual Report from Pension Fund Board of Trustees to Board of Governors

Securities Lending: Due to the instability being experienced in the capital markets it is believed that risks are being introduced that are potentially too large to justify the incremental income earned from securities lending. In December 2008, the Pension Fund Board of Trustees approved a temporary suspension of the Fund's participation in GIBG Mellon's securities lending program, pending a review of acceptable collateral and counterparties.

Pension Fund Financial Statements: Ernst & Young is the auditor for the Pension Fund and assists with the preparation of the audited Financial Statements. In March 2008 the BoT approved the audited financial statements for the Pension Fund at December 31, 2007 and reappointed Ernst & Young as the auditor for the Pension Fund.

Pension Fund Operating Budget: In December 2008 the BoT approved the 2009 Pension Fund operating budget for investment expenses.

Monitoring

During 2008, the Pension Fund Board of Trustees met their monitoring requirements by receiving the 2007 Annual Report from SGIP for the BoT as well as quarterly reports at each BoT meeting. Actual expenses compared to budget were reported to the BoT each quarter.

Audited Financial Statements

The Financial Statements for the Pension Fund at December 31, 2008, audited by Ernst & Young, are attached.

Financial Statements

York University Pension Fund

[Ontario Registration Number 0329763]

December 31, 2008

AUDITORS' REPORT

To the Trustees of the
York University Pension Fund

We have audited the statement of net assets available for benefits of the York University Pension Fund as at December 31, 2008 and the statement of changes in net assets available for benefits for the year then ended. These financial statements have been prepared to meet the filing requirements of the Financial Services Commission of Ontario. These financial statements are the responsibility of the Pension Fund's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Pension Fund's management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets available for benefits of the Fund as at December 31, 2008 and the changes in its net assets available for benefits for the year then ended in accordance with the basis of accounting described in note 2 to the statements.

These financial statements, which have not been, and were not intended to be prepared in accordance with Canadian generally accepted accounting principles, are solely for the information and use of the Trustees of the York University Pension Fund for filing with the Financial Services Commission of Ontario in accordance with regulatory filing requirements. The financial statements are not intended to be and should not be used by anyone other than the specified users or for any other purpose.

Ernst & Young LLP

Toronto, Canada,
March 9, 2009.

Licensed Public Accountants

York University Pension Fund
 [Ontario Registration Number 0329763]

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

[Expressed in thousands of dollars]

As at December 31

	2008	2007
	\$	\$
ASSETS		
Investments <i>[note 4J]</i>		
Cash and cash equivalents <i>[note 5J]</i>		
Short-term notes		
Pooled funds		
Corporate shares		
Bonds		
Infrastructure <i>[note 6J]</i>		
Total investments		
Other assets		
Investment income receivable		
Pending securities sales		
Contributions receivable		
Members		
York University		
Foreign exchange contracts receivable <i>[note 3J]</i>		
Other receivable		
Prepaid fees		
Total other assets		
Total assets		
LIABILITIES		
Accounts payable and accrued liabilities <i>[note 7J]</i>		
Pending securities purchases		
Foreign exchange contracts payable <i>[note 3J]</i>		
Total liabilities		
Commitments <i>[note 6J]</i>		
NET ASSETS AVAILABLE FOR BENEFITS	1,060,455	1,322,579

See accompanying notes

On behalf of the York University Pension Fund:

York University Pension Fund

STATEMENT OF CHANGES IN NET ASSETS
AVAILABLE FOR BENEFITS

[Expressed in thousands of dollars]

Year ended December 31

	2008	2007
	\$	\$
INCREASE (DECREASE) IN NET ASSETS		
Contributions		
York University		
Regular	17,867	17,068
Minimum Guaranteed Fund <i>[note 12J]</i>	11,031	10,587
Special <i>[note 12J]</i>	4,891	2,076
Other		178
Members		
Regular	16,671	16,053
Voluntary	402	311
Transfers from other plans	1,912	1,309
	<u>52,774</u>	47,582
Investment income (loss) and change in fair value <i>[note 9J]</i>		
Interest	24,242	26,814
Dividends	21,076	21,312
Other	105	320
Realized gain (loss) on investments	(31,693)	111,110
Unrealized loss on investments	(259,272)	(161,546)
	(245,542)	(1,990)
Benefits and withdrawals		
Annuity payments	(49,918)	(46,239)
Death benefits	(2,277)	(1,075)
Refunds of members' contributions with interest upon termination	(110)	(48)
Transfers to other pension and retirement plans upon termination	(7,991)	(7,398)
	(60,296)	(54,760)
Administration expenses and professional fees <i>[note 8J]</i>	(8,634)	(5,458)
Transaction costs	(426)	(607)
	<u>(69,356)</u>	(60,825)
Net decrease in net assets available for benefits during the year	(262,124)	(15,233)
Net assets available for benefits, beginning of year	1,322,579	1,337,812
Net assets available for benefits, end of year	<u>1,060,455</u>	<u>1,322,579</u>

See accompanying notes

York University Pension Fund

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of dollars)

December 31, 2008

1. PLAN DESCRIPTION

The York University Pension Plan [the "Plan"] provides for retirement benefits for Members of the Plan on a money purchase basis subject to a minimum guarantee based on earnings and years of service.

All the terms of the Plan are set out exclusively in the Plan text, as amended and filed with the Financial Services Commission of Ontario. While this note summarizes certain terms of the Plan, nothing in this note changes or supplements the Plan text in any manner whatsoever. Accordingly, the Plan text will govern exclusively in all cases should any questions arise.

Contributions

The Plan calls for annual contributions from Members equal to 4.5% of earnings up to the Canada Pension Plan's yearly maximum pensionable earnings [the "YMPE"] and 6.0% of earnings in excess of that amount. York University [the "University"] is required to contribute annually an amount equal to 103% of the Members' required contributions plus any additional contributions to fund the minimum guaranteed benefit as certified by the actuary. Member-required contributions for those employees on long-term disability are paid for by the University until such time that they return to active status.

Eligibility

Full-time employees of the University may elect to join the Plan on completion of 24 months of continuous service if under the age of 25, or if between the ages of 25 and 30 may elect to join the Plan on the first day of the month following the first month of employment. Participation in the Plan is mandatory for all employees upon reaching the age of 30 for existing and newly hired employees.

Part-time employees of the University may join the Plan provided they meet minimum earnings and work hour requirements as set out in the Plan text.

York University Pension Fund

NOTES TO FINANCIAL STATEMENTS

[Expressed in thousands of dollars]

December 31, 2008

Investment policy

The investments of the Plan are managed utilizing a balanced approach with the primary objective of achieving a real rate of return of 6% over a moving four-year period. The allowable asset mix range, target asset allocations, and actual allocations at December 31, 2008 are detailed in the following table:

Asset category	Acceptable range	Target	Actual
Equity securities	55% - 65%	60%	52%
Debt securities	25% - 35%	30%	42%
Infrastructure	0% - 15%	10%	5%
Cash equivalents	0% - 10%	0%	1%

In December 2008, the Pension Fund Board of Trustees temporarily suspended rebalancing the investment portfolio after considering the existing volatility, instability and lack of liquidity in the financial markets.

Futures contracts, options and other derivatives, including but not limited to forward currency contracts and swap agreements can be utilized provided they do not create exposures to securities which would not be otherwise permitted under the Statement of Investment Policies and Procedures. The York University Pension Fund [the "Fund"] enters into forward currency contracts to hedge its currency risk.

The equity portfolio will generally be fully invested and broadly diversified in securities publicly traded and listed on recognized Canadian, foreign and emerging markets stock exchanges with no single equity investment exceeding 5% of the total market value of all assets held by the Fund.

Debt instruments of a non-government entity must not exceed 2.5% of the total market value of all assets held by the Fund unless the issuer is, or is guaranteed by, the Government of Canada, one of the Provinces of Canada, or a foreign government rated "AAA" or equivalent by a recognized ratings agency. At market value, at least 40% of the fixed income securities shall be invested in securities guaranteed by the Government of Canada or one of the Provinces of Canada. At least 90% of all fixed income securities shall be rated at least investment grade by a recognized ratings agency with at least 70% rated "A" [or equivalent] or higher.

York University Pension Fund

NOTES TO FINANCIAL STATEMENTS

[Expressed in thousands of dollars]

December 31, 2008

Termination benefits

A Member who terminates employment with the University can elect:

- [i] to receive a lump sum refund equal to the total of the Member's contributions with interest which is conditional upon the Member meeting certain conditions which are set out in the Plan text; or
- [ii] to have their Money Purchase Component Account plus the value of any Supplementary Pension transferred to another pension plan or registered retirement savings plan subject to locked-in provisions; or
- [iii] to leave the funds on deposit and receive a pension on their normal retirement date.

Retirement benefits

The normal retirement date is the 1st of July following an employee's 65th birthday. Members can elect early retirement between the ages of 55 and 65, or request to postpone retirement beyond the normal retirement date on a year-to-year basis until July 1st coincident with or next following attainment of age 69. The Member has the option, on their normal retirement date, to either continue to contribute or to cease contributions.

Upon retirement, the balance to a Member's credit in their Money Purchase Component Account will be applied to provide them with a variable pension on a money purchase basis which will allow for the cost of the guarantee of non-reduction of pension paid after retirement. The pension payable will remain constant throughout the pension year but will vary from one year to the next depending on the investment return of the Plan during the preceding four-year period relative to 6%. The pension paid is guaranteed not to be reduced.

In addition, each Member who retires on their normal retirement date will receive such amount of supplementary pension from the Minimum Guaranteed Fund as may be required in any year to provide a total pension during such pension year equal to the minimum guaranteed benefit to which such Member is entitled during the year. This guarantee for each year of credited service will be equal to 1.4% of that portion of the employee's final average earnings which is not in excess of the average of the YMPE for those years, plus 1.9% of that portion of the Member's final average earnings which is in excess of the average of the YMPE for those years.

York University Pension Fund

NOTES TO FINANCIAL STATEMENTS

[Expressed in thousands of dollars]

December 31, 2008

Death benefits

If a Member should die before retirement, the eligible spouse is entitled to receive a variable pension which can be provided by the value of the Member's Money Purchase Component Account in respect of the Member's service prior to January 1, 1987. The eligible spouse will also receive a supplementary pension as may be required in any year to provide a total pension during the pension year equal to 50% of the Member's accrued minimum guaranteed benefit in respect of their credited service prior to January 1, 1987. In each year following the Member's date of death, the eligible spouse's minimum guaranteed benefit will be adjusted in the same way as retiree benefits.

For benefits accrued on and after January 1, 1987, upon the death of a Member prior to actual retirement date, a death benefit will be payable to the surviving eligible spouse or the designated beneficiary or estate equal to the sum of [i] the amount of the Member's Money Purchase Component Account in respect of contributions made on and after January 1, 1987, at the date of death; and [ii] the commuted value of the Member's minimum guaranteed benefit, in excess of the Member's Money Purchase Component Account, if any, in respect of their credited service on and after January 1, 1987.

When a Member dies after retirement, benefits will be payable to a Member's eligible spouse, designated beneficiary, joint annuitant or estate, whichever is applicable, in accordance with the provisions of the pension received by the Member.

If a Member has dependent children at the date of death, the dependent children will be entitled to a total monthly benefit equal to 0.833% of the Member's annual earnings to a maximum of \$300 per month. The pension will be payable until there are no surviving dependent children under age 18.

Income taxes

The Plan is a Registered Pension Trust as defined by the Income Tax Act (Canada) and, as such, the income of the Plan is not subject to income taxes.

York University Pension Fund

NOTES TO FINANCIAL STATEMENTS

[Expressed in thousands of dollars]

December 31, 2008

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed in the preparation of these financial statements:

Basis of presentation

The financial statements have been prepared in accordance with the significant accounting policies set out below to comply with the accounting requirements prescribed by the Financial Services Commission of Ontario for financial statements under Regulation 76(2) of the Ontario Pension Benefits Act. The Fund holds the net assets of the Plan. The basis of accounting used in these financial statements materially differs from Canadian generally accepted accounting principles ["GAAP"] because it excludes the actuarial liabilities of the Plan. Consequently, these financial statements do not purport to show the adequacy of the Plan's assets to meet its pension obligations.

Accounting changes

On January 1, 2008, the Fund adopted the Canadian Institute of Chartered Accountants Handbook Sections 3862, *Financial Instruments - Disclosures* and 3863, *Financial Instruments - Presentation*, which enhance disclosures about the significance of financial instruments to the entity's financial position and performance, the nature and extent of risks arising from financial instruments, and how the entity manages those risks.

Cash and cash equivalents

Cash and cash equivalents include cash on deposit and liquid money market securities with original maturities of 90 days or less. All other liquid money market securities with a term to maturity greater than 90 days and less than one year are recorded as short-term notes. Interest earned on cash and cash equivalents and short-term notes is recognized as interest income.

York University Pension Fund

NOTES TO FINANCIAL STATEMENTS

[Expressed in thousands of dollars]

December 31, 2008

Valuation of investments

All investments are presented in the financial statements at fair value with the change in the fair value of the investments during the year recorded as an unrealized gain (loss) on investments in the statement of changes in net assets available for benefits.

Securities traded on a national securities exchange are valued at the last reported bid price on the last business day of the Fund's fiscal year. Listed securities for which no sale was reported on that date are valued at the average of the last reported bid and ask prices. Security transactions are recorded on the trade date. Infrastructure interests that are not publicly traded are recorded at cost, adjusted for foreign exchange and any additional contributions less returns of capital, capital drawdowns or repayments made to the Fund. Dividends are accrued as of the ex-dividend date. Stock dividends are recorded as income based on the market value of the security. The realized gain (loss) on the sale of securities is calculated with reference to the average cost of the securities. The Fund follows the accrual method of recording investment income.

Derivative financial instruments are recorded as assets or liabilities at fair value with changes in fair value recorded as unrealized gain (loss) on investments. Fair values of derivative financial instruments have been estimated by reference to quoted market prices for actual or similar instruments.

Investment transaction costs are expensed as incurred.

Contributions and benefits

Contributions and benefits are recorded on an accrual basis.

Foreign currency translation

The market values of investments denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing at the close of each business day. Purchases and sales of investments denominated in foreign currencies and income and expenses are translated into Canadian dollars at the exchange rates prevailing on the transaction dates.

Use of estimates

The preparation of financial statements in accordance with GAAP requires that estimates and assumptions be made that affect the reported amounts of assets and liabilities at the date of the financial statements and changes in net assets for the period reported as well as the disclosure of contingencies at the date of the financial statements. Actual results may differ from those estimates.

York University Pension Fund

NOTES TO FINANCIAL STATEMENTS

[Expressed in thousands of dollars]

December 31, 2008

3. DERIVATIVE FINANCIAL INSTRUMENTS

The Fund enters into forward foreign exchange contracts in order to reduce its foreign currency exposure due to its holdings of investments denominated in foreign currencies. During 2008, the Fund changed its currency hedging policy from unhedged to a 50% hedge of its foreign currency exposures hedged to the Canadian dollar. The following table presents the notional amounts and fair values of the forward foreign exchange contracts. The notional amounts are not recorded as assets or liabilities as they represent the face amount of the contract to which a rate or price is applied to determine the amount of cash flows to be exchanged. In all cases, notional amounts do not represent the potential gain or loss associated with market or credit risk of such instruments.

In the prior year, the notional amounts of the forward foreign exchange contracts were presented on a gross basis in the statement of net assets available for benefits. In the current year, there has been a change in the basis of presentation by presenting only the fair value of the forward foreign exchange contracts in the statement of net assets available for benefits. This presentation has been adopted on a retroactive basis.

	2008		2007	
	Forward foreign exchange contract notional amount \$	Net fair value asset (liability) \$	Forward foreign exchange contract notional amount \$	Net fair value asset \$
Euro	180,174	(7,417)		
United States dollar	160,328	(7,240)	11,563	384
Japanese yen	61,974	(5,815)	8,161	322
British pound sterling	43,447	808		
Swiss franc	23,755	(1,460)	1,346	39
Other	49,740	(493)	69	
	<u>519,418</u>	<u>(21,617)</u>	<u>21,139</u>	<u>745</u>

The forward foreign exchange contracts settle at various dates from January 6, 2009 to April 3, 2009.

York University Pension Fund

NOTES TO FINANCIAL STATEMENTS

[Expressed in thousands of dollars]

December 31, 2008

4. INVESTMENTS

The fair value of each of the investments is based on the market value determined at the year end. The market value and cost of the investments are as follows:

	2008		2007	
	Cost \$	Market value \$	Cost \$	Market value \$
Cash and cash equivalents <i>[note 5J]</i>				
Cash	2,705	2,730	2,202	2,141
Cash equivalents	18,447	18,472	13,450	13,443
	<u>21,152</u>	<u>21,202</u>	<u>15,652</u>	<u>15,584</u>
Short-term notes	<u>6,133</u>	<u>6,013</u>	<u>9,903</u>	<u>9,865</u>
Pooled funds				
Bond - Canadian	391,018	379,851	491,446	476,838
Equity - Canadian	4,663	5,385	5,374	12,927
Equity - Foreign	107,331	77,618	123,806	125,268
	<u>503,012</u>	<u>462,854</u>	<u>620,626</u>	<u>615,033</u>
Corporate shares				
Canadian	196,030	173,872	165,627	243,115
Foreign	395,845	281,677	354,399	348,649
	<u>591,875</u>	<u>455,549</u>	<u>520,026</u>	<u>591,764</u>
Bonds				
Government of Canada	31,910	32,152	46,936	47,551
Provincial	38,009	38,146	41,165	42,019
	<u>69,919</u>	<u>70,298</u>	<u>88,101</u>	<u>89,570</u>
Infrastructure <i>[note 6J]</i>	48,070	53,707		
	<u>1,240,161</u>	<u>1,069,623</u>	<u>1,254,308</u>	<u>1,321,816</u>

York University Pension Fund

NOTES TO FINANCIAL STATEMENTS

[Expressed in thousands of dollars]

December 31, 2008

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	2008	2007
	\$	\$
Canadian dollar		
Cash	112	248
Cash equivalents	17,547	12,564
	<u>17,659</u>	<u>12,812</u>
Foreign - United States		
Cash	412	292
Cash equivalents	925	879
	<u>1,337</u>	<u>1,171</u>
Foreign - other		
Cash	2,206	1,601
	<u>21,202</u>	<u>15,584</u>

Cash equivalents are comprised of high quality short-term investments, with cost approximating fair value. A cash sweep is in place to invest cash, available at the end of each day, by the bank using an agreed upon interest rate tied to Bankers' Acceptance rates.

York University Pension Fund

NOTES TO FINANCIAL STATEMENTS

[Expressed in thousands of dollars]

December 31, 2008

6. INFRASTRUCTURE

Infrastructure consists of investments in three limited partnership funds. The investment managers of these infrastructure interests perform valuations on the underlying investments on a calendar quarter basis and provide quarterly financial statements of the interests to the Fund's management. The value of the investments in these interests included in the statement of net assets available for benefits is recorded at cost, adjusted for foreign exchange and any additional contributions less returns of capital, capital drawdowns or repayments made to the Fund. This represents the Fund's best estimate of the fair value of the interests as at December 31, 2008 based on the information available to the Fund from the investment managers of those interests. Because these interests are not readily traded, their estimated values are subject to uncertainty and therefore may differ from the values that would have been used had a ready market for such interests existed.

At December 31, 2008, the unfunded commitment relating to these investments was approximately \$65,200 [2007 - nil].

York University Pension Fund

NOTES TO FINANCIAL STATEMENTS

[Expressed in thousands of dollars]

December 31, 2008

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

	2008	2007
	\$	\$
Administration and professional fees	876	990
Transfers to other pension and retirement plans upon Terminations	457	292
Annuity payments	37	
Death benefits		234
Refunds of members' contributions with interest upon termination		3
Foreign dividend taxes	22	27
Goods and Services Tax	757	
	<u>2,149</u>	<u>1,546</u>

8. ADMINISTRATION EXPENSES AND PROFESSIONAL FEES

Administration expenses and professional fees consist of the following:

	2008	2007
	\$	\$
Investment management fees	5,870	3,537
Administration fees	1,102	987
Actuarial and consulting fees	403	440
Custodian fees	480	473
Audit fees	22	21
Goods and Services Tax	757	
	<u>8,634</u>	<u>5,458</u>

Included in administration fees are \$694 [2007 - \$683] charged by the University to the Fund during the year for predominantly salaries and benefits for pension administration and investment staff. The transactions were measured at the exchange amount.

York University Pension Fund

NOTES TO FINANCIAL STATEMENTS

[Expressed in thousands of dollars]

December 31, 2008

9. INVESTMENT INCOME (LOSS) AND CHANGE IN FAIR VALUE

Investment income (loss) and change in fair value consist of the following:

	2008	2007
	\$	\$
Interest		
Bonds		
Government	1,472	2,440
Provincial	1,910	1,534
Pooled funds	20,404	22,491
	23,786	26,465
Cash and cash equivalents and short-term notes	456	349
	24,242	26,814
Dividends		
Canadian	5,574	7,755
Foreign	15,502	13,557
	21,076	21,312
Other	105	320
Realized gain (loss) on investments		
Realized gain (loss) on investments	(4,729)	122,311
Realized loss on investments - foreign currency	(26,964)	(11,201)
	(31,693)	111,110
Unrealized gain (loss) on investments		
Unrealized loss on investments	(348,655)	(111,234)
Unrealized gain (loss) on investments - foreign currency	89,383	(50,312)
	(259,272)	(161,546)
Investment loss and change in fair value	(245,542)	(1,990)

York University Pension Fund

NOTES TO FINANCIAL STATEMENTS

[Expressed in thousands of dollars]

December 31, 2008

10. INDIVIDUALLY SIGNIFICANT INVESTMENTS

The cost or market value of the following investments exceeds 1% of the cost or market value of total Fund investments at December 31, 2008:

	Cost		Market value	
	\$	%	\$	%
POOLED FUNDS				
Bond - Canadian				
Emerald Canadian Bond Pool Fund	343,595	27.8	336,737	31.7
Addenda Corporate Bond Pool Fund	47,423	3.8	43,114	4.1
Equity - Foreign				
Emerald Hedge U.S. Equity	57,782	4.7	38,790	3.7
Emerald Pooled U.S. Equity	49,549	4.0	38,828	3.7
INFRASTRUCTURE				
Limited partnership funds	40,193	3.3	45,758	4.3

York University Pension Fund

NOTES TO FINANCIAL STATEMENTS

[Expressed in thousands of dollars]

December 31, 2008

11. FINANCIAL INSTRUMENTS

The Fund's investment activities expose it to a range of financial risks. These risks include market risk [including foreign currency risk, interest rate risk and price risk], credit risk and liquidity risk. The Fund primarily manages these financial risks in accordance with its Statement of Investment Policies and Procedures.

Market risk

Market risk is the risk that the fair value or future cash flows of an investment will fluctuate because of changes in market prices. The Fund manages market risk by investing across a wide variety of asset classes and follows investment strategies based on risk limits established in the Fund's Statement of Investment Policies and Procedures. Market risk is comprised of the following:

[a] Foreign currency risk

Foreign currency exposure arises from the Fund's holdings of investments denominated in a foreign currency. Fluctuations in the relative value of foreign currencies against the Canadian dollar can result in a positive or negative effect on the fair value of investments. To manage this risk, on April 1, 2008, the Fund changed the Currency Hedging policy from unhedged to a 50% hedge of the foreign currency exposures hedged to the Canadian dollar.

The Fund's underlying currency exposures in Canadian dollars consist of the following:

	2008		2007	
	Total exposure \$	Net exposure \$	Total exposure \$	Net exposure \$
United States dollar	201,432	96,400	230,075	218,896
Euro	104,239	58,874	106,890	106,874
Japanese yen	44,206	26,917	54,268	46,899
British pound sterling	28,035	11,440	42,180	42,196
Swiss franc	15,524	7,811	14,310	13,002
Australian dollar	6,681	6,206	7,483	7,483
Hong Kong dollar	6,099	3,346	9,614	9,614
Other	10,329	2,382	11,869	11,923
	<u>416,545</u>	<u>213,376</u>	<u>476,689</u>	<u>456,887</u>

York University Pension Fund

NOTES TO FINANCIAL STATEMENTS

[Expressed in thousands of dollars]

December 31, 2008

The following table illustrates the Fund's financial instruments which are exposed to foreign currency risk. The table demonstrates the sensitivity of the Fund's net assets to a 1% absolute change in foreign exchange rates.

	Fair value \$	Impact of 1% absolute change in foreign exchange rates on net assets \$
Foreign cash and cash equivalents	3,543	35
Foreign equities	413,002	4,130
	416,545	4,165

Since all other variables are held constant in assessing foreign currency risk sensitivity, it is possible to extrapolate a 1% absolute change in foreign exchange rates to any absolute percentage change in foreign exchange rates.

York University Pension Fund

NOTES TO FINANCIAL STATEMENTS

[Expressed in thousands of dollars]

December 31, 2008

[b] Interest rate risk

Interest rate risk refers to the effect on the fair value or future cash flows of an investment due to fluctuations in interest rates. The Fund's interest bearing investments are exposed to interest rate risk. The most significant exposure to interest rate risk is the Fund's investments in bonds.

The maturities and effective yields of these bond investments are disclosed in the table below. The effective yield to maturity represents the current average rate of return based on cash flows to maturity.

	2008		2007	
	Market value \$	Weighted average effective yield %	Market value \$	Weighted average effective yield %
Bonds - Canadian				
Maturities				
0-5 years	48,608	1.996	51,459	4.240
6 - 10 years	13,766	3.926	28,870	4.459
> 10 years	7,924	4.590	9,241	5.753
	<u>70,298</u>		<u>89,570</u>	
Pooled funds				
Addenda Bond	43,114	6.430	54,361	5.280
Emerald Canadian Bond	336,737	3.690	422,477	4.520
	<u>379,851</u>		<u>476,838</u>	
	<u>450,149</u>		<u>566,408</u>	

York University Pension Fund

NOTES TO FINANCIAL STATEMENTS

[Expressed in thousands of dollars]

December 31, 2008

The following table demonstrates the sensitivity of the Fund's net assets to a reasonably possible change in bond yields. The impact, with all other variables held constant, was determined using the modified duration of those financial instruments that are exposed to interest rate risk. Duration measures the sensitivity of the price of financial instruments for every 1% change in interest rates.

	Fair value \$	Impact of 1% absolute change in bond yields on net assets \$
Bonds	70,298	2,348
Pooled funds	<u>379,851</u>	<u>22,930</u>
	<u>450,149</u>	<u>25,278</u>

[c] Price risk

Price risk is the risk that the fair value of an investment will fluctuate because of changes in market prices [other than those arising from foreign currency or interest rate changes] whether those changes are caused by factors specific to the individual investment or factors affecting all securities traded in the market.

The following table demonstrates the sensitivity of the Fund's net assets to a 1% absolute change in the fair value of the Fund's investments which are exposed to price risk:

	Fair value \$	Impact of 1% absolute change in fair value on net assets \$
Pooled funds - equity	83,003	830
Corporate shares	<u>455,549</u>	<u>4,555</u>
	<u>538,552</u>	<u>5,385</u>

Since all other variables are held constant in assessing price risk sensitivity, it is possible to extrapolate a 1% absolute change in the fair value to any absolute percentage change in fair value.

York University Pension Fund

NOTES TO FINANCIAL STATEMENTS

[Expressed in thousands of dollars]

December 31, 2008

Credit risk

Credit risk on financial instruments is the risk of financial loss occurring as a result of default or insolvency of a counterparty on its obligations to the Fund. The Fund's investments in debt securities are exposed to credit risk. The cost of these investments and other assets as presented in the statement of net assets available for benefits represent the maximum credit risk exposure at the date of the financial statements. The use of forward foreign exchange contracts to hedge foreign currency risk also exposes the Fund to credit risk. The gains prior to the settlement date of these contracts represent the maximum credit risk exposure at the date of the financial statements. Credit risk is managed by dealing only with counterparties that the Fund's investment manager believes to be creditworthy having a minimum credit rating of "A" or higher as determined by a recognized credit rating agency and by regular monitoring of credit exposures. Credit exposure to any single counterparty is limited to maximum amounts as specified in the Fund's Statement of Investment Policies and Procedures.

The Fund is also subject to credit risk under its securities lending program. As at December 31, 2008, nil [2007 - \$155,186] of the Fund's investments was on loan to third parties. Pursuant to a securities lending agreement, the Fund's custodian arranges the loans for which the Fund earns a fee. Fees earned during the year amounted to \$305 [2007 - \$298] which are included in other investment income. The custodian minimizes credit and market risks by following strict lending criteria and over-collateralizing the loans with comparable securities. The collateral securities held were valued at nil [2007 - \$163,039].

In December 2008, the Pension Fund Board of Trustees temporarily suspended securities lending. All outstanding loans were recalled and no new loans will be made until further notice.

Liquidity risk

Liquidity risk is the risk of being unable to settle or meet commitments as they come due. These commitments include payment of the Fund's pension obligations and unfunded investment commitments in infrastructure investments. Liquidity risk is managed by ensuring the Fund invests in high quality investments easily disposed of in an active market.

York University Pension Fund

NOTES TO FINANCIAL STATEMENTS

[Expressed in thousands of dollars]

December 31, 2008

12. PLAN DEFICIT

The latest actuarial valuation for funding purposes which was performed by Mercer (Canada) Limited as at December 31, 2007 indicates that the Plan had a deficit of \$44,116 [2006 - \$18,568], being the deficiency of assets at market value over actuarial liabilities. Due to the deficit position, special annual payments of approximately \$4,836 [2007 - \$2,076] are estimated to be required until December 31, 2022 to cover the unfunded liability. In addition, the University contributed approximately \$11,031 during the year [2007 - \$10,587] to fund the Minimum Guaranteed Fund.



**Statement of Investment Principles
for the
York University Pension Fund**

Last Updated March 2008

Statement of Investment Principles for the York University Pension Fund

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Statement of Investment Principles

Approved and Adopted by

York University Pension Fund

Signature

Signature

Date

Statement of Investment Principles for the York University Pension Fund

Section 1 - Preamble

Pension plan fiduciaries make basic assumptions concerning the nature of pension funds and the capital markets when developing investment policies. The identification and documentation of these assumptions contributes to a better understanding of the core investment principles of the York University Pension Fund ("the Fund") and enhances the ongoing governance and fund management processes.

The hybrid nature of the York University Pension Plan (the Plan") creates investment challenges for the Fund that are not common in the Canadian marketplace. Unlike either a traditional defined benefit or defined contribution plan, the determination of the pension benefit levels at retirement is dependent on fund returns as well as factors such as salary and service. In addition, pensions in payment are subject to future increases based on the future fund returns.

This Statement of Investment Principles (the Principles") underpins the Statement of Investment Policies and Procedures ("SIP&P") and reflects the investment policy principles for the Fund. These principles led to the development of an asset mix and other policies designed to achieve the primary objective of *"providing high rates of return, consistent with prevailing market conditions, a high quality of investment, and moderate levels of risk"*.

This document is intended to be read together with the SIP&P for the Fund. Together, these documents contribute towards the prudent and effective management and governance of the Fund, and form part of the risk management for the Fund.

It is worth noting that these investment principles have been developed on the assumption that all investment management will be done using external service providers. York University does not have and, at this time, does not intend to develop, any internal money *management* capabilities.

The principles are grouped into four sections - investment policy, implementation strategies principles, manager structure, and ongoing monitoring. Each section identifies several principles, with a statement of the principle and the underlying rationale for its adoption.

The Principles shall be reviewed in conjunction with the SIP&P at least annually by the Sub-Committee on Investment Performance (SCIP) and confirmed or amended, as needed by the Pension Fund Board of Trustees (BoT).

Statement of Investment Principles for the York University Pension Fund

Section 2 - Investment Policy Principles

Real Rate of Return Target

Principle

In order to meet the Fund objectives as stated in the SIP&P, the Fund requires an annual target return of 6%, net of inflation. It is acknowledged that this return target may be difficult to achieve with a moderate degree of risk, and it is believed that it would be inappropriate to dramatically increase the risk profile of the Fund.

Rationale

There is no investment policy which closely matches the nature of the Plan's liabilities (low risk asset mix) due to the hybrid plan design. Hybrid plan liabilities do not move consistently as inflation and interest rates change, since changes to the liabilities depend largely on the changes to the money purchase balances.

Without a return based on a low-risk asset mix as a reference point, a real return target of 6% has been adopted as the minimum return required to achieve the investment objectives as stated in the SIP&P. A real return of 6% is expected to produce a money purchase pension at least as large as the expected minimum guarantee pension for a new entrant and also provides retired members with inflation protection. The 6% return is explicit in the Pension Adjustment Section of the Plan Text.

The Fund has historically had a moderate degree of risk (approximately 8% annualized standard deviation of returns over the last 15 years). This risk level is expected to deliver a real return less than 6% p.a. in the future. Increasing the expected return through a dramatic increase in the risk level of the Fund (e.g., less bonds) would be inappropriate, as it is expected to increase the variability in member account balances and is also expected to increase the variability in the University's funding requirements.

Asset Mix Policy

Principle

The asset mix will be maintained for all assets of the Fund, i.e. the asset mix will be the same for active and retired members, and individuals will not be able to choose their own asset mix. The same rate will be used to credit interest for all Plan members.

Rationale

The Plan text does not contemplate different asset mixes for different Fund purposes (e.g., for the provision of retirement and termination benefits vs. the crediting of annual interest on member contributions, or for members of different ages or risk profiles).

Statement of Investment Principles for the York University Pension Fund

Minimum Target Allocation

Principle

For any **asset class** in which the Fund invests, the target allocation will be at least 5%.

Rationale

If the allocation to an asset class is less than 5%, the return impact on the fund is expected to be insufficient to outweigh the additional resource commitment for manager selection and monitoring. Also, for many types of investments the level of fees relative to the amount of the investment decreases as the amount of the investment increases.

Rebalancing

Principle

A disciplined **rebalancing** policy will be maintained to ensure asset class allocations stay within asset mix policy ranges.

Rationale

An effective rebalancing policy ensures that the actual mix does not drift too far away from the policy **benchmark**, which has been set after extensive analysis of the assets and liabilities. In addition, disciplined rebalancing creates an automatic 'buy low, sell high' action in the Fund and so can add value and be a useful risk management tool.

Equities

Principle

Stocks are expected to outperform **bonds** in the long term (10 plus years), albeit with a higher level of **volatility**. Therefore, to enhance returns, stocks will be over weighted relative to bonds at the policy level.

The inclusion of a diversified portfolio of **foreign equities** is expected to reduce risk. The Fund will overweight foreign equities relative to Canadian equities

Rationale

Equity investments have, in the longer term, provided a higher return than bonds along with higher volatility (risk). While history cannot be relied on to determine the level of future returns, the past relationships can be rationally explained and represent a useful indicator of future relative performance. Equity positions represent ownership in companies and should, therefore, provide a return premium over bonds, which represent lending to companies. As such, an asset mix over weighted in equities should produce higher returns in the long term, but may result in periods of poor performance in the short term.

Canadian markets are narrow and illiquid, and represent only 2-3% of the world's equity market capitalization. Also, **modern portfolio theory** asserts that there are risk reduction benefits to be gained by diversifying equities across regions.

Statement of Investment Principles for the York University Pension Fund

Fixed Income (Bonds)

Principle

Fixed income investments will be used primarily for risk management purposes, and the Fund will have a meaningful policy allocation to fixed income investments.

Rationale

Fixed income investments will diversify the Fund's holdings, and provide lower volatility of returns relative to an all equity asset mix.

Cash

Principle

Cash is not an appropriate long-term investment for the Fund, and the asset mix policy will not include an allocation to cash.

Rationale

Cash is expected to have the lowest long-term rate of return, relative to other asset classes. In addition, a cash allocation is not required from a liquidity perspective as the cash flows of investment income and contributions into the Fund are sufficient to cover benefit payments for the foreseeable future.

Real Assets

Principle

There may be a policy allocation to Real Assets, which may, at this time, include real estate, and/or infrastructure. Any Real Asset investments should be made through a fund managed by a third party.

Rationale

Investments in Real Assets offer the potential for risk diversification, as these assets are fundamentally different than equities and bonds. These investments may also enhance the Fund's return. Where historic results are available, Real Assets have demonstrated a relatively low correlation to traditional asset classes. Returns may also have a positive correlation to inflation. In addition, real estate and infrastructure are expected to generate relatively predictable and sustainable cash flows

The diversification opportunity is greater with direct investment, as opposed to indirect investment through publicly traded securities which tend to have a higher correlation with equity markets.

It can, however, be difficult to gain access to a diverse, fully invested portfolio. Also, real estate and infrastructure are illiquid investments, and require capital to be locked-up for a long time period. Finally, Real Assets require a significant resource commitment for manager selection and performance monitoring.

Statement of Investment Principles for the York University Pension Fund

With relatively low returns expected from both equities and bonds, the ability to increase returns with some inflation protection, generate relatively predictable and sustainable cash flows and/or diversify the sources of returns suggests that an allocation to Real Assets be considered despite some of these challenges.

Absolute Return Strategies

Principle

The Fund may invest in Absolute Return Strategies, provided that appropriate investment vehicles can be identified. These may be standalone investments, or overlaid with an investment in an asset class in which the policy has an existing allocation (Le., portable alpha).

Any Absolute Return Strategy should be expected to generate sufficient excess returns over an appropriate benchmark, net of fees and any costs imbedded in the strategy, with little/no incremental risk for the total Fund.

Rationale

The return of the Fund may be improved, with no/little incremental risk for the total Fund, by investing in strategies that are primarily skill-based. When Absolute Return Strategies are implemented using standalone investments, they are expected to reduce the risk of the Fund and may also increase return. When overlaid with another asset class, these strategies are expected to only marginally increase total Fund risk.

Absolute Return Strategies do, however, require more resources for due diligence and selection. As these strategies may employ derivatives, leverage and/or short selling, care must be taken to ensure that the manager's risk controls are adequate and consideration given to the legal structure of the investment vehicle. These strategies also have additional complexities and higher fees relative to traditional equity and bond mandates and must be expected to generate sufficient excess net returns in order to make it worthwhile given these complexities. Thus, it is possible that after due diligence no strategies are identified as appropriate for investment by the Fund.

Alternative Investments

Principle

The Fund will periodically examine the suitability of alternative investments and evaluate whether they are worthy of addition to the policy, considering risk management, potential return enhancement, cost, resource requirements and other relevant factors.

Rationale

Alternative investments may provide higher returns and/or risk diversification. Alternative investments have, however, additional and/or different risks from investments in which the Fund currently invests. As well, alternative investments present an investor with heavier due diligence responsibilities and higher costs (e.g., fund manager search, ongoing administration, ongoing monitoring, manager fees), often for a proportionately small allocation of assets.

Statement of Investment Principles for the York University Pension Fund

Section 3 - Implementation Strategies Principles

Leverage and Short Selling

Principle

The Fund will not directly borrow money to make investments; however, leverage and/or short selling may be used by the Fund's investment managers providing appropriate consideration is given to the risks involved.

It is acknowledged that the short selling of a specific security (as opposed to a broad market) is seeking to gain from an expected reduction in the price of that security, and that this is a strategy that the Fund may employ in an effort to meet its objectives.

Rationale

Leverage and/or short selling is expected to increase returns without significantly increasing the risk (volatility) of the Fund. Allowing an investment manager with the appropriate skills to short sell securities expected to perform poorly, and to reinvest the proceeds to increase the exposure to those securities the manager expects to perform well, is expected to increase the added value generated by the manager by increasing the breadth of opportunities available to the manager.

Short selling is a form of borrowing and thus, by its nature, creates leverage. This form of leverage may, however, decrease Fund risk. For example, market exposure may be reduced if the characteristics of the securities that are shorted are appropriately similar to the characteristics of securities that are owned.

Examples of areas in which the York Pension Fund may potentially invest that use leverage are:

- Real estate - mortgage on the property,
- Infrastructure - similar to real estate,
- Portable alpha - uses derivatives to separate and reconstruct the market return and potential value added ("alpha") in a more efficient manner; as the same dollar is used twice - once for the market return and once for the alpha - it is considered leverage,
- Absolute Return Strategies - primarily through short selling (which is a form of borrowing), although derivatives may also be used.

Leverage and short selling can magnify position exposures. In addition, leverage and short selling introduce counterparty exposure. Thus, proper due diligence must be exercised to ensure that the manager's risk controls are adequate and consideration must be given to the legal structure of the investment vehicles that utilize these strategies.

Currency Hedging

Principle

Statement of Investment Principles for the York University Pension Fund

The Fund will hedge foreign currency exposures benchmarked to a 50% hedge ratio.

Rationale

Over the long-term, there is expected to be no return from currencies or currency hedging. Historically, currency exposure has not materially increased the risk of a foreign equity portfolio from a Canadian investor's perspective, when risk is measured as the standard deviation of quarterly returns. Currencies have, however, exhibited relatively high likelihoods of large movements over a short time period that can have a significant positive or negative effect on the Canadian dollar return of the foreign investments in the portfolio. In addition, currencies tend to trend, meaning that a positive (negative) quarter is likely to be followed by a subsequent positive (negative) quarter. These trends can span multiple years and, as the Fund has significant exposures to foreign currencies, this can directly affect the retirement income of Plan members, for example if they terminate or retire at a time when foreign currencies have recently depreciated. A 50% hedge ratio is expected to sufficiently reduce these risks. The administrative issues around currency hedging, which include the costs of hedging and the potential for large cash flows in and out of the fund to settle currency forwards, are manageable.

Sustainable Investing

Principle

At the present time, there will be no allocation or criteria specific to sustainable investing. The Fund will continue to monitor sustainable investing practices and evaluate whether they are worthy of inclusion, considering potential return enhancement, cost, resource requirements and other relevant factors.

Rationale

Empirical studies show that there is a positive link between corporate sustainable business practices and share price performance. In addition, encouraging sustainable business practices is, in and of itself, a desirable goal. Sustainable investing is a complex area, however, requiring additional research, education, and specialized resources resulting in higher costs.

The majority of pension funds in Canada do not at this time incorporate explicit sustainable investing criteria in investment decision-making. Monitoring sustainable investing practices will help to ensure that the Fund does not diverge from common practice.

Having no explicit sustainable investing criteria does not mean that sustainable investing is ignored. Most investment managers incorporate sustainability criteria in their security selection and portfolio construction decisions in a qualitative way when evaluating the management capabilities, future growth prospects, and potential risks for companies.

Statement of Investment Principles for the York University Pension Fund

Section 4 - Manager Structure Principles

Internal/External Fund Management

Principle

The Fund will use external money management services, and not create its own internal manager structure. The Fund will not develop nor maintain any internal fund management resources.

Rationale

It is difficult for the Board to attract, retain, and adequately remunerate the best of highly qualified internal portfolio management personnel according to prevailing investment industry standards. In addition, internal management provides less flexibility, staff relations are complex and it is difficult to adequately address the career growth aspirations of its incumbents. Also, good governance for an internally managed investment organization requires an extensive internal administration structure. Finally, for actively managed assets there are competent external managers that, net of fees, have the potential to consistently generate significant added value.

Active and Passive Fund Management

Principle

The Fund will have an orientation toward active fund management. However, passive fund management will be used on a limited basis, in a market where there may be fewer opportunities for profitable active management (defined as positive value added relative to an appropriate benchmark on a net of fees basis) and where the benchmark itself is considered to be of adequate quality for investment.

Rationale

Even modest added value through active management (net of the additional fees) has a significant effect on increasing the long-term return to the Fund. Historical analysis indicates that Canadian and EAFE equities are asset classes that lend themselves well to active management for added value. In addition, some currency managers have demonstrated skill in adding value through active management of multiple currencies. On the other hand, analysis indicates that there is less potential added value from active management in US equities and Canadian bonds.

Active managers can also reduce risk, by mitigating the magnitude of negative returns from the market.

The existence of a market index does not, in and of itself, mean that the index is a good investment. Some market indices show a high degree of concentration (e.g., the S&PITSEX Composite Index). While these indices can be used as benchmarks, many active investment managers will operate a more diversified portfolio.

Statement of Investment Principles for the York University Pension Fund

Specialty Fund Management

Principle

The Fund will use primarily **specialty fund management** in conjunction with the maintenance of a disciplined rebalancing policy so that the asset mix does not drift.

Rationale

The use of specialty management rather than **balanced fund management** will allow the Fund to have "best in class" managers in each asset category. In addition, studies in Canada and the US have shown that the median active balanced manager has tended to lose value through asset mix management.

Investment Style and Number of Managers

Principle

Where appropriate and practical, the Fund will use complementary **investment styles** within asset classes. The Fund will have a multi-manager structure with at least one manager for each asset class in the asset mix policy, but the total number of managers will be minimized to ensure overall cost efficiency. In addition, the multi-manager structure will be such that it produces a return that promises value-added relative to the asset class benchmark.

Rationale

Investment managers - particularly managers of equity investments - exhibit distinct and consistent management biases or styles. These styles can be combined, within asset sectors, in teams of managers so that value-added returns are preserved, and the aggregate level of risk is lowered.

A lower number of managers, however, can result in lower manager costs and lower monitoring costs.

Fund Manager Evaluation

Principle

Qualitative and quantitative evaluation criteria will be used when choosing investment managers to fulfill a particular mandate or evaluating current managers.

Rationale

Quantitative criteria (e.g., consistency of portfolios with stated style, performance relative to suitable benchmarks, fee structure, etc.) capture past experience. Qualitative criteria (e.g., organizational strength, depth and consistency of key personnel, appropriateness of investment process and risk controls, etc.) help to evaluate the likelihood that future performance will provide value-added. Both sets of criteria provide important information with respect to fund managers.

Statement of Investment Principles for the York University Pension Fund

Section 5 • Ongoing Monitoring Principles

Real Return Objective

Principle

The achieved real return of the Fund will be measured against the target real rate of return over rolling four-year periods. The rolling four-year real rate of return will be reviewed quarterly, but allowances will be made for the impact of adverse capital markets and underperforming managers. The real return target for the Fund is not a meaningful measure of manager performance, and so manager mandate performance will not be monitored against this target.

Rationale

It is necessary to achieve the real rate of return target so that the Fund objectives, as stated in the SIP&P, can be achieved. It is therefore important to measure the Fund's return to gauge the success of the investment policies toward achieving these objectives.

Measurement Period

Principle

Performance will be assessed over rolling four-year periods, and reviewed on a quarterly basis.

Rationale

It is important to allow for a reasonable time horizon to measure quantitative fund and individual manager mandate performance. At the Fund level, returns achieved by different asset classes change with market cycles. It is necessary to have an appropriate time period to prove the success of the strategy. At the mandate level, studies have shown that style has a strong impact on a manager's returns. As styles move in and out of favor, it is important to allow the manager a sufficient time period to prove the success of the strategy.

Prolonged periods of manager under-performance can, however, be costly for the Fund, and the reality is that very few decision-makers have tolerance for prolonged under-performance. Four-year rolling measures have become the industry norm, as a four-year time period provides a reasonable compromise between:

- (a) the requirement for sufficient time to prove success; and
- (b) a realistic time frame within which fiduciaries will tolerate underperformance.

Statement of Investment Principles for the York University Pension Fund

Benchmarks

Principle

Benchmark-related targets will be the primary basis of assessment for the Fund's managers. A benchmark-related target, along with the real rate of return target will be the primary tools for assessment at the total Fund level. Appropriate benchmarks will be identified for the Fund and for each asset class and manager mandate. **Peer group** comparisons will be used sparingly.

Rationale

Benchmarks based on market indices reflect the primary investment opportunity set for a given asset class. Market index returns can be replicated using low cost index management, and therefore provide an objective hurdle for active management. Constituents of benchmarks are transparent and (generally) unbiased and specified in advance.

Even where a relevant market index does not exist, a benchmark still needs to be selected to assess whether the investment manager or strategy is providing returns in line with the expectation when the manager/strategy was selected. Some examples of possible benchmarks include a return in excess of cash or an absolute return target.

Peer groups, on the other hand, while useful to a point, have certain inherent characteristics that render them less valid as performance targets. Peer group comparisons do not always recognize differing mandates or investment restrictions placed on managers. Also, survivor bias may be inherent in peer groups. Finally, the median or top-quartile manager within a peer group cannot be specified in advance, and it is difficult to effectively manage against a target that is constantly changing.

Added Value Targets for Active Mandates

Principle

Realistic value-added targets will be adopted for all active management mandates. The magnitude of each value-added target will reflect the historical evidence of active management success in that asset class, the level of active risk inherent in the manager's strategy, the level of management fees, and the prospects for incremental return in the future. As a result, differing mandates/asset classes may have different value-added targets.

Rationale

Realistic added value targets are essential for effectively measuring the success of each individual manager's mandate and eliminating unnecessary manager turnover. A target that is too high may result in performance expectations that are excessive, and lead to the unjustified termination of a manager. On the other hand, a target that is too low may result in a mediocre manager being retained within the Fund.

Statement of Investment Principles for the York University Pension Fund

Mandate Compliance

Principle

All fund managers will be monitored against the parameters established for them in their mandates. A formal mandate will be maintained for every manager, and the monitoring of it will be part of ongoing due diligence.

Rationale

A "drift" by any manager from the processes and controls specified in its manager mandate may result in the Fund being exposed to unintended biases, or to risks that are specifically prohibited with respect to the Fund.

Transparency and Reporting of Leverage

Principle

The amount of the Fund's capital allocated to each asset class, investment manager and product (Le., an investment product may include one or more strategies) shall be disclosed at least quarterly. Any products that employ leverage shall be noted, along with the amount of leverage being used. Disclosure of underlying holdings in all investments is preferred; it is sufficient, however, to receive only summary descriptions of the exposures within the portfolio from the investment manager.

Rationale

There are numerous products available in the industry and a lack of standardization of nomenclature. Leverage may be used and not inherently visible. Thus, additional reporting may be necessary to clarify the exposure and the nature of the investments. One example is portable alpha, where Absolute Return Strategies are used through an overlay with an asset class. Because of the use of derivatives, leverage and/or short selling, Absolute Return Strategies are different than typical long-only investments, and thus these should be reported separately from the asset class on which they are overlaid. Similarly, other products that use leverage should be specifically disclosed.

It may not be practical to receive disclosure of all underlying holdings, as these positions are often considered proprietary to the investment manager. Thus the transparency principle has not been extended to the underlying holdings.

Statement of Investment Principles for the York University Pension Fund

Qualitative Manager Monitoring

Principle

Fund managers will also be monitored from a qualitative perspective.

Rationale

Qualitative criteria (e.g., organizational strength, depth and consistency of key personnel, appropriateness of investment process and risk controls, etc.) help to evaluate the likelihood of future out performance, and to ensure that the factors that led to the manager being hired originally remain in place.

Statement of Investment Principles for the York University Pension Fund

Appendix A - Glossary of Terms

Absolute Return Strategies: Primarily skill-based strategies expected to generate positive returns that have no/low correlation to the stock or fixed income markets. These strategies may employ derivatives, leverage and short selling. Absolute Return Strategies have various names, including "equity market neutral" and "hedge funds". They may also be used in portable alpha strategies. There are usually no appropriate market indices for Absolute Return Strategies, so benchmarks for performance monitoring are often based on an absolute return target or a return in excess of cash.

Active Fund Management: Approach to investment management where the aim is to outperform a particular market index or benchmark through asset allocation and/or stock selection and/or currency decisions. (Also see *Passive Fund Management*).

Active Position(s): Difference between the actual/level of investment made in a particular stock or asset class and the benchmark allocation or weighting of that investment.

Alternative Investments: Investments in which the Fund does not currently invest. Examples include private equity/venture capital, commodities, global/high yield bonds, mortgages.

Asset Class: A segment of the investment opportunity set, such as cash, bonds, equities, real estate, infrastructure, and commodities.

Asset Mix (Asset Allocation): Distribution of investments across categories of assets, such as cash, equities and bonds. Asset allocation affects both risk and return and is a central concept in financial planning and investment management.

Balanced Fund Management: Refers to the use of a single manager for both stocks and fixed income. The manager may or may not have discretion to make asset mix shifts.

Benchmark: Measure against which a portfolio's performance is assessed. The benchmark may be a market index for portfolios focusing on a particular market e.g. MSCI World Equity Index, or a combination of market indices. Where a relevant market index does not exist (e.g., for some Real Assets and Absolute Return Strategies), the benchmark may be based on cash, inflation, a market index which has some relationship to the investment, or an absolute return target.

Bond: Certificate of debt issued by a government or company, promising regular payments on a specified date or range of dates, usually with final capital payment at redemption.

Commodities: A tangible substance, such as food, grains, metals, oil and gas, etc., which investors buy or sell through futures contracts.

Statement of Investment Principles for the York University Pension Fund

Correlation: Reference to the Correlation Coefficient, which is a statistical measure of the degree to which the movements of two variables are related. A correlation of 1.0 indicates that the two variables move perfectly in tandem. A correlation of 0.0 indicates a random relationship between the variables, and a correlation of -1.0 indicates perfect negative correlation (perfect tandem but in opposite directions). Combining assets in a portfolio with negative correlations or with positive correlations less than 1.0 will reduce total portfolio volatility.

Currency Hedging: Strategy designed to reduce (partial hedge) or eliminate (100% hedge) exchange rate risk in a portfolio of non-domestic assets, through the use of currency futures/forwards or by the purchase, sale or borrowing of the exposed currency.

Defined Benefit (DB): Pension arrangement where the benefits payable to members are clearly specified, usually as a percentage of salary at, or near, retirement. The contributions that are required to ensure that this commitment can be met will vary depending on the plan's investment and demographic experience and the benefits to be provided. The employer bears the investment risk in such an arrangement.

Defined Contribution (DC): Pension or savings arrangement where the rate of contribution paid by the employer and/or the employee is defined (usually a percentage of salary). The benefits paid to members will depend on the contributions paid into the plan on behalf of the member, the investment return earned on those contributions and the terms available at retirement for converting the fund into a pension. The employee bears the investment risk in such an arrangement. Also known as money purchase or capital accumulation.

Derivatives: Financial instruments whose value is derived from the value of another investment, typically a stock, bond, currency or commodity. Can be used for reducing exposure (hedging) or gaining exposure with no or little capital employed. Some examples of derivatives are futures, swaps and options.

EAFE: Europe, Australasia and Far East. Typically used in the context of the MSCI EAFE Index which tracks the stocks of 21 developed countries.

Equity: Investment or ownership interest possessed by shareholders in a corporation -- stock as opposed to *bond*.

Fiduciary: Person or entity, who acts for the benefit and on behalf of another person or group of persons. A fiduciary holds a legally enforceable position of trust.

Fixed Income: (See *Bond*)

Foreign Equity: A non-domestic *Equity*. (Also see *Equity*)

Statement of Investment Principles for the York University Pension Fund

Hedge (Hedging): Action taken to protect the value of a portfolio against a change in market prices. It is usually used to reduce or eliminate risk, although similar techniques can also be used to speculate in a market.

Hybrid: Refers to a pension plan that combines certain characteristics of defined benefit plans with certain characteristics of defined contribution plans.

Infrastructure: Physical structures and networks that provide essential services to society, including oil and gas pipelines, electric transmission and distribution facilities, water distribution facilities, toll roads, airports, prisons, hospitals and so on.

Investment Policy: The particular asset classes selected and the target allocation of assets in a portfolio to these asset classes.

Investment Style: Approach followed by an active investment manager in selecting stocks. Example: A growth investment style is employed by investment managers who invest in companies that have superior growth prospects. Generally, these companies have higher price to earnings and price to book ratios and lower dividend yields. A value investment style is an approach to investment which places emphasis on identifying shares which are believed to be underpriced (on the basis of indicators such as *PIE* ratio, *PIS* ratio, and dividend yield) by the market. A core investment approach is not dominated by a particular style of investing such as value or growth.

Leverage: The use of a small amount of capital to gain a much higher exposure to an investment or asset class, typically through derivatives or by borrowing capital.

Low Risk Asset Mix: In the context of a pension plan, this is the long term investment policy that results in an investment portfolio that "matches" the plan's liabilities, i.e. is expected to respond to interest rate changes in the same way as the liabilities.

Modern Portfolio Theory: Theory of portfolio optimization that seeks to construct an optimal portfolio by considering the relationship between risk and return.

Passive Fund Management: Approach to investment management which aims to replicate a particular market index or benchmark fund and does not attempt to actively manage the portfolio. (Also see *Active Management*).

Peer Group: Term sometimes used to describe the total number of operators or competitors in a particular field (for example, a group of equity investment managers), or the number of available stocks from which a portfolio is selected. Investment manager performance surveys are also referred to in this way.

Statement of Investment Principles for the York University Pension Fund

Portable Alpha: A strategy where the excess return generated by active fund management in one or more asset classes is separated from the market return of the underlying asset class(es) and overlaid on another asset class through the use of derivatives.

Real Assets: Physical assets available for investment by institutional investors, including real estate, infrastructure and commodities.

Real Estate: Property in land, building or housing, as distinct from personal property (e.g. cars); also known as physical property to distinguish itself from Property Trusts.

Real Return: Inflation-adjusted return.

Rebalancing: Making adjustments to a portfolio to counteract the fact that different assets have performed differently over a period, and thus comprise different percentages of the portfolio than originally intended. Timing (how often to rebalance), ranges (how far the asset mix can drift before rebalancing), and targets (to rebalance back to) are important aspects of rebalancing.

Risk: Risk can have many different meanings, depending on the context it is used in. Unless otherwise specified, risk refers to the volatility of returns.

Risk Management: Control or mitigation of volatility.

Specialty Fund Management: Specialty fund management refers to the use of separate mandates (and potentially different managers) for each asset class, with no discretion given to the managers to make asset mix shifts.

Short Selling: Selling a security that is not currently owned, but borrowed from a third party (e.g., from pension funds and other institutional investors through their securities lending programs) to execute settlement with the buyer. The seller therefore has a negative exposure to the security, creating a profit if it goes down in value and a loss if it goes up in value. Can be used to add value, for hedging, or to provide a temporary source of funds with which to make additional investments beyond those afforded by the original capital (i.e., to leverage the original capital).

Standard Deviation: A measure of the dispersion of a set of numbers around the average. In a regression analysis (which assumes a normal distribution), 68% of the data points fall between 1 standard deviation below the average and 1 standard deviation above. Standard deviation is frequently used as a measure of risk.

Stock: See *Equity*.

Statement of Investment Principles for the York University Pension Fund

Sustainable Investing: Incorporating environmental and social criteria in the investment decision-making process in order to enhance return and/or reduce risk. Sustainable investing makes no judgment as to the ethics or morality of any investment and does not change the Fund objectives.

Volatility: The variability of the price of a security. Typically quantified as standard deviation. (Also see *Standard Deviation*).

STATEMENT OF INVESTMENT PRINCIPLES
FOR THE
YORK UNIVERSITY PENSION FUND

2007 UPDATE
COMPANION DOCUMENT

This document is intended to add commentary to, and explain, the changes to the Statement of Investment Principles for the York University Pension Fund. Note that several definitions have been added to the Glossary at the back of the Statement of Investment Principles, and these should be read alongside the principles and rationale.

Introduction

The Statement of Investment Principles was first developed in 2004, and policy requires that it be confirmed or amended annually. It was reviewed and confirmed in 2005, and then the 2006 review identified several reasons for significant amendments. First, the limit on foreign exposure was removed in 2005, and the document needs to be updated to reflect this. Second, there are more investment opportunities accessible to the Fund. Some of these opportunities stem from the removal of the foreign content limit, and some are the result of continuing evolution in the investment industry. Finally, and most importantly, there is concern that it will be difficult for the Fund to meet its return objectives in the future, and consideration should be given to taking advantage of other investment opportunities in an effort to improve the Fund's future returns.

As noted in previous presentations, it is expected that it will be difficult to achieve the return target for the Fund (inflation plus 6%, net of fees), with traditional investments and the Fund's current asset mix. The following compares the target return with return expectations for the next 10 years:

Target return:	Inflation (2%) + 6% = 8%
Expected return (including manager added value):	
Bonds:	4.5%
Stocks:	9.0%
60% stocks, 40% bonds:	7.2% (before fees), or 6.8% after fees

One way to improve *expected* returns would be to increase the risk profile of the Fund (e.g., through increased equity exposure). While this would increase expected returns, it would also increase the chance of large losses as well as large gains within member accounts. In turn, this is expected to increase the number of members retiring under the minimum guarantee, create more uncertainty in the granting of retired member's inflation protection, and increase the variability of the University's funding requirements. This is considered inappropriate.

Another way to increase returns would be for the Fund to invest in other asset classes and strategies; in other words, use more of the tools available in the market to increase the chances of achieving the objectives. While these alternative investments may increase other forms of risk (e.g., illiquidity), many are expected to increase Fund volatility only slightly, or even reduce expected Fund volatility due to increased diversification. Many of the changes in the Investment Principles are being made to support consideration of these new investments. It is important to note that the wording in these areas is permissive, not directive. Investment would only be made after appropriate due diligence is performed and applicable changes to the investment policy approved.

Real Rate of Return Target

The Real Rate of Return section has been changed to remove the statement that the 6% real return target is "constraint mandated by the Plan Text" as the Plan Text does not state a minimum return target, and to address the expectation of future returns falling short of the Fund objective.

Minimum Target Allocation

The 5% minimum allocation to an asset class has been a working rule-of-thumb that is now being reflected in the Investment Principles.

Equities

The federal government removed the foreign property limit in 2005. The Fund can now increase its allocation to foreign equities without necessarily having to use derivatives. Note that many large plan sponsors were in excess of the 30% limit even before the foreign property limit was eliminated.

The references to increasing return as a rationale for increased foreign equity exposure have been removed from the Investment Principles. The main rationale for increased foreign equity exposure is diversification away from the small and concentrated Canadian equity market. The table below shows the proportion of the Canadian stock market in two sectors and Nortel illustrating that, while the concentration risk has always been high, it has become even greater recently.

	Dec. <u>29</u> , 2006	Dec. <u>31</u> , 2002	<u>Dec. 29</u> , 2000	Jul. <u>31</u> , 2000
Nortel	1.0%	1.6%	18.0%	34.2%
Financial Services	31.9	32.2	24.1	15.2
Resources	<u>44.0</u>	<u>29.1</u>	<u>18.4</u>	<u>13.5</u>
Total	76.9%	62.9%	60.5%	62.9%

Real Assets

The Real Estate section has been changed in two ways:

- It has been broadened to include other real (Le., physical) assets, namely infrastructure.
- Given the need to consider investments beyond that in which the Fund currently invests, this section has been changed to permit investment in these Real Assets.

Infrastructure is relatively new as an investment alternative available to a fund of York's size. There has been a dramatic increase in the infrastructure market as governments privatize the operation of certain assets, and this is expected to continue.

Any investment in real estate and infrastructure would likely be through investment in limited partnerships. A limited partnership is similar to a pooled fund, in that it allows exposure to several investments giving some degree of diversification. The general partner is analogous to the investment manager of the pooled fund, although they play a different role given the nature of the investment. The general partner is responsible for selecting the properties/projects, negotiating the transactions, and ensuring that the operations are looked after. As the Fund is a limited partner, the liability of the Fund is limited to the capital committed to the partnership. These types of investments are illiquid - the partnership has a lifespan of 10 to 12 years - and early exit can be difficult and costly.

Leverage and Short Selling

Leverage (borrowing) is commonly used - e.g., it is used when individuals take a mortgage to buy a house. Within the York Pension Fund, it is currently used indirectly, by investing in companies who borrow as part of their capital structure.

Examples of other areas in which the York Pension Fund may potentially invest that use leverage are:

- Real estate - mortgage on the property,
- Infrastructure - similar to real estate,
- Portable alpha - uses derivatives to separate and reconstruct the market return and potential value added ("alpha") in a more efficient manner; as the same dollar is used twice - once for the market return and once for the alpha - it is considered leverage,
- Absolute Return Strategies - primarily through short selling (which is a form of borrowing), although derivatives may also be used.

"130/30" is one type of strategy that employs short selling to increase added value, with little increase in risk. In "130/30" strategies, the active manager can short up to 30% of

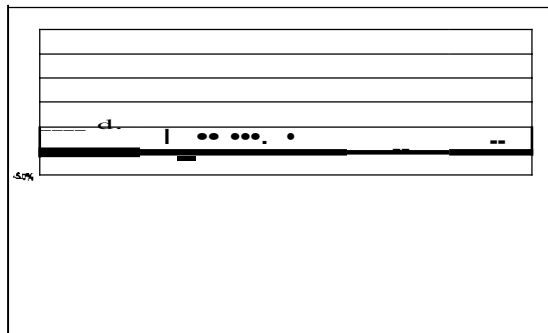
the portfolio, and reinvest the proceeds into long investments, thus giving total long exposure of 130%. The net exposure to the asset class is 100%, as the 130% long exposure is offset by 30% short exposure (although the total asset class commitment is 160%). Note that this is different from Absolute Return Strategies, where the net exposure to the asset class is expected to be much less than 100%.

Leverage, when carefully used, can increase the returns of the Fund without significantly increasing risk. Some uses of leverage, particularly within Absolute Return Strategies, are expected to reduce the volatility of the Fund.

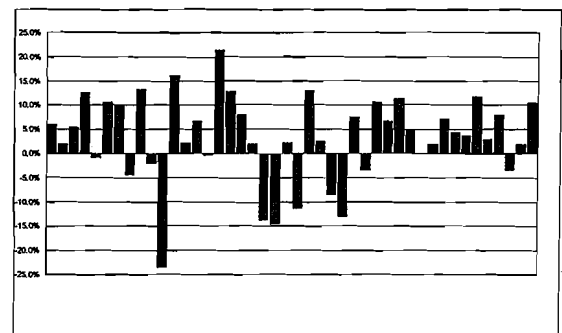
Absolute Return Strategies

Absolute Return Strategies are expected to generate more stable returns than the stock market, by significantly reducing or eliminating the portion of the return that comes from the stock market leaving only the amount that comes from an active manager's value added. Thus, these strategies rely on the managers' active management skills. The charts below illustrate the difference in the return pattern using an equity market neutral strategy as an example of an Absolute Return Strategy.

Quarterly Returns 1996 to December 2006



Absolute Return Strategy



Canadian Stock Market

The reduction in the market risk typically comes from the use of short selling and/or derivatives. It can also come from investing in other types of securities, such as currencies. (Note that investing in currencies in an Absolute Return Strategy is done from a return-generating point of view, irrespective of the existing foreign currency exposure in the Fund. This is separate and distinct from currency hedging, which does manage the currency exposure of the Fund.)

As noted under the leverage section, care needs to be taken to ensure that the right risk controls are in place. These strategies can also be quite complex and tend to have high fees. Thus the investment principles note that, even after appropriate due diligence, there may not be any products in which there is sufficient confidence to warrant an investment by the Fund.

The rationale states "when overlaid with another asset class, these strategies are expected to only marginally increase total Fund risk". This is, of course, referring to portable alpha strategies. As a reminder, portable alpha is a strategy where the excess return generated by active fund management in one or more asset classes is separated from the underlying market return and overlaid with a different market return through the use of derivatives. It is somewhat similar to the Fund's previous investment in synthetic U.S. equity, except the cash that backed the futures is instead invested in a skill-based actively managed strategy.

Synthetic U.S. Equity + =

Portable Alpha + =

Portable alpha can be quite powerful, *if successfully implemented*. Let's compare two alternatives, both of which are expected to increase the Fund's return by 0.4% p.a.:

1. Increase the Fund's exposure to equities by 10%, making the Fund's asset allocation 70% equities and 30% bonds, or
2. Allocate 10% of the Fund to a portable alpha strategy, while leaving the underlying Fund invested in 60% equities and 40% bonds.

It is not unreasonable to assume that both equities and portable alpha will deliver an additional 4% p.a. over bonds (including active management and after fees). The difference lies in the impact on the Fund's expected return volatility. In order to calculate the Fund's volatility, we need to make some assumptions on the volatility of the alpha in the portable alpha strategy, and the correlation of that alpha with the underlying portfolio, particularly equities. Our base assumption is volatility of 4%, with no correlation to equities. Here's how the expected Fund volatility¹ compares:

Asset Mix	Expected Fund Return	Fund Volatility
Current	7.2%	8.7%
Increase equities by 10%	7.6%	9.7%

¹The volatility of the current asset mix, and the asset mix with 10% more in equities, was calculated based on the assumption of 13% volatility (standard deviation) for equity, 6.5% standard deviation for bonds, and 0.2 correlation between equities and bonds. The resultant standard deviation of 8.7% for the current asset mix is consistent with the actual standard deviation of the Fund over the last 15 years.

Asset Mix	Expected Fund Return	Fund Volatility
Allocate 10% to portable alpha (4% volatility, no correlation)	7.6%	8.71%

What if we are quite wrong on the assumptions for portable alpha, and the volatility is twice what we expect (Le., 8%) and the correlation with equities is strongly positive, say 0.5? The Fund volatility is still expected to be less with portable alpha.²

Asset Mix	Expected Fund Return	Fund Volatility
Current	7.2%	8.7%
Increase equities by 10%	7.6%	9.7%
Allocate 10% to portable alpha (8% volatility, 0.5 correlation)	7.6%	9.1%

Alternative Investments

With the potential expansion of the Fund into some of the areas previously considered "alternative", the proposed wording updates this section to focus on the principle of needing to revisit new opportunities for the Fund from time to time.

Currency Hedging

The discussion of active currency management has been moved from this section to the "Active and Passive Fund Management" section. The Currency Hedging section now focuses solely on the *policy* hedge decision, and states that the Fund's policy position will be to target hedging 50% of the Fund's foreign currency exposures. The increase in foreign equity exposure earlier in 2007 and the addition of Infrastructure later in the year has materially increased the Fund's foreign currency exposure to 50% (up from 30% prior to 2007).

Sustainable Investing

This is an evolving area, thus, it was felt necessary to have a principle that articulates the current position.

² One might ask, given these statistics, "Why don't we allocate all of the equities to portable alpha?" There are two reasons. First, the alpha return is an expectation, not a guarantee. It could be zero, or negative (particularly after fees). The return on equities is an expectation as well, but the return in excess of bonds is more reliably greater than zero. Using both is another form of diversification. Second, portable alpha is relatively new, and it is prudent to limit the allocation to it until more experience is acquired.

Note that the definition of sustainable investing differentiates it from a related area, socially responsible investing (SRI). SRI traditionally involves setting ethical standards for investments, which are subjective and vary by individual. Determining what these standards should be is problematic, if not impossible, for a large institution such as York University, especially given the diversity of the members in the York Pension Plan. Any attempt to define an appropriate set of ethical standards for the Fund would take a significant amount of time which, in the end, would only serve to limit the opportunity set of investments, potentially reduce expected Fund returns, and require a significant modification to the current Fund objectives.

Sustainable investing, however, can be done consistent with the current Fund objectives by broadening the range of criteria used in the financial evaluation of investments. A company's sustainable business practices are factored into how a manager values the company, along with all of the traditional valuation factors. This recognizes that a company's sustainable business practices can influence the future value of the company and/or reduce the risk associated with investing in the company. The challenge lies in identifying how to effectively incorporate sustainable investing, as well as the additional and specialized resources required, thus the Fund will continue to monitor practices in this area.

Active and Passive Fund Management

This section has been updated to:

- Reflect that the foreign property limit has been removed,
- Incorporate active currency management,
- Recognize the risk-reduction opportunity with active management, and
- Acknowledge that the decision to invest passively is a decision to invest in an index (an index is a rules-based portfolio construction approach) that may or may not result in a diversified, high quality, portfolio, depending on the market and the construction rules.

Benchmarks

No changes have been made to the principle, but the *rationale* and definition (see the Glossary of Terms) have been updated to reflect that appropriate benchmarks based on market indices do not exist for all Real Assets and Absolute Return Strategies.

Transparency and Reporting of Leverage

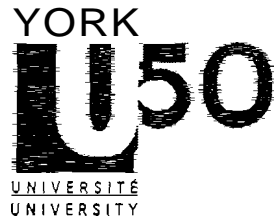
Along with the potential for adding different investments to the Fund comes the need for additional reporting. Where the Fund is using leverage, regardless of whether the leverage is expected to decrease volatility, there needs to be transparency regarding the nature of the investments, including actual dollar allocations as well as notional dollar

exposures and risk exposures.

Glossary of Terms

Several terms have been added to accompany the changes and additions to the investment principles. For example, the definition of "Asset Class" was added to clarify the Minimum Target Allocation principle.

One additional minor change was made to the Balanced Fund Management definition. The previous definition could have been misinterpreted to include an equity mandate that covers all stock regions around the world ("global equities"). The revised definition now clarifies that "Balanced Fund Management" means using a manager for a mandate that combines both stocks and fixed income.



York University Pension Fund Statement of Investment Policies and Procedures

Ontario PBA Reg. No. 0329763

April 2008

York University Pension Fund

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York University Pension Fund

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Section 1: Purpose

- 1.1 The York University Pension Plan (the "Plan") was established by York University (the "University") to provide pension to its faculty and staff. The Plan's purpose is to provide a high standard of pension benefits, at a reasonable cost, as an essential element of the University's compensation policy. The Plan's assets (the "Fund") provide security that *benefit* entitlements will be paid.
- 1.2 This Statement of Investment Policies and Procedures (the "Statement") addresses the manner in which the Fund shall be invested. Investments shall be selected in accordance with the criteria and limitations set forth herein and in accordance with all relevant legislation. This Statement has been prepared to ensure continued prudent and effective management of the Fund and its ongoing financial well being. The Plan's investment, benefits and funding policies are all inter-related and impact the financial well being of the Plan. The Statement complies with all relevant legislation.
- 1.3 York University is both the Plan Sponsor and the legal Plan Administrator and acts as both employer and fiduciary with respect to the Plan and is responsible for its overall management. To discharge its duties, the University acts through its Board of Governors. The Board of Governors has delegated specific Plan administration tasks to the Vice-President, Finance & Administration who, in turn, has delegated tasks to employees of the University and to various agents that have been retained to assist in carrying out duties in respect of the Plan. The All University Committee on Pensions acts as an advisory committee to the University on pension benefit issues. The Board of Governors has appointed a Pension Fund Board of Trustees (the "Trustees") to discharge the Fund *investment* duties. These Trustees are appointed following nominations from employee groups, the Administration, and the Board of Governors. The Trustees have delegated tasks to a Sub Committee on Investment Performance (the "Committee"), to employees of the University, and to various agents that have been retained to assist them in carrying out their duties in respect of the Fund.

The Terms of Reference for the decision-making bodies mentioned above are contained under separate cover.

York University Pension Fund

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Section 2: Type of Pension Plan and the Nature of the Liabilities

- 2.1 The Plan is a defined contribution plan with a defined benefit minimum guarantee. Pension benefits at retirement are determined by the contributions made by the member and on behalf of the member by the University, and the investment performance of the Fund over a member's working lifetime, with a minimum guaranteed benefit determined by a final average salary formula.
- 2.2 To the extent that the Fund does well, all plan members benefit. If the fund performs poorly, then active members are protected through the minimum guarantee formula. Pensions in pay for retired members are adjusted annually by the excess of a four-year moving average of Fund returns over 6%, and are protected through a guarantee that this adjusted pension will never be reduced.
- 2.3 Required contributions of 4.5% of earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings (YMPE) and 6% of earnings above the YMPE are deducted from each member's earnings. Matching contributions, equal to each member's required contributions, are made by the University. An additional contribution of 3% of the member's required contributions is made by the University to provide for the guarantee that the pension after retirement will not be reduced. All these contributions are credited to the member's Money Purchase Component Account.

The University contributes to the Minimum Guarantee Fund any additional amount, as certified by the Actuary, as necessary to fund the guaranteed benefits and to meet any initial unfunded liability or solvency deficiency in accordance with the requirements of the Pension Benefits Act.

Members are permitted to make additional voluntary contributions, which are credited to the member's Additional Voluntary Contributions Account.

- 2.4 For the foreseeable future, the Fund is expected to experience a small annual net outflow of cash. Dividend and coupon income provides more than sufficient liquidity to meet this cash requirement and there is no need to hold cash on a long-term basis.

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Section 3: Investment Objectives, Investment Policy Portfolio and Return Expectations

Investment Objectives

- 3.1 The Fund shall be managed on a going-concern basis with the primary objective of providing high rates of return, consistent with prevailing market conditions, a high quality standard of investment, and moderate levels of risk.
- 3.2 The objective of achieving high long-term returns is subject to prevailing market conditions and the following goals and constraints:
- securing minimum guarantee pensions for all active members while providing potential for growth in money purchase balances;
 - managing volatility for the money purchase balances of active members nearing retirement;
 - providing a reasonable level of inflation adjustment for pensioners.

Investment Policy Portfolio

- 3.3 The investment policy was developed with a view to both individual and collective risk, examining the policy risks for members at various ages as well as the Fund as a whole. The Fund is expected to achieve the above investment objective at an acceptable level of risk. Risk can be described in many ways for the Plan and alternative approaches to measuring risk were used in developing this policy. One of these measures is the probability of the Fund not earning the desired rate of return as stated in section 3.8. Because the Plan guarantees a minimum defined benefit, the key factor affecting benefit security for active members is the relationship between the investment return and the rate of salary increases. Also, because the Plan guarantees non-reduction of pensions, the key factor affecting benefit security for retirees is the relationship between the investment return and the 6% threshold for retiree increases. Higher investment returns in relation to the increases in the salary rate or the 6% threshold will improve the financial position of the Plan. Conversely, lower investment returns in relation to increases in the salary rate or the 6% threshold will worsen the financial position of the Plan.
- 3.4 To diversify investment risk and achieve the above investment objectives, the Fund's assets will be invested in the major asset classes and allocations will be maintained within the corresponding ranges according to the following Investment Policy Portfolio,

York University Pension Fund Statement of Investment Policies and Procedures

implemented with a target hedge ratio of 50% on the foreign currency exposures (based on market value):

Asset Class	Benchmark Index	Investment Policy Portfolio (% of total fund)	Minimum	Maximum
Canadian Equity	S&PITSX Capped 10%	20%	16%	26%
US Equity	Wilshire 5000	15%	13%	18%
International Equity	MSCI EAFE Net	15%	13%	18%
Global Equity	MSCI World Net	10%"	8%	13%
Total Equity		60%	55%	65%
Fixed Income	DEX Universe	30%	25%	35%
Cash	DEX 91 Day T-Bills	0%	0%	10%
Total Debt		30%	25%	35%
Infrastructure	CPI + 6%	10%	0%	15%
Total Real Assets		10%	0%	15%

- 3.5 An appropriate investment management structure has been established to implement the above Investment Policy Portfolio and achieve the Fund's investment objectives. The Manager Structure may be changed from time to time to ensure effective achievement of the Fund's investment objectives.

Particulars of the mandates and performance objectives of the Investment Managers are contained under separate cover.

- 3.6 The actual asset mix at any time may deviate from the Investment Policy Portfolio indicated above in section 3.4. To ensure the actual asset mix stays within the ranges as indicated by the minimum and maximums specified in section 3.4, the manager allocations will be monitored monthly and re-balanced quarterly as required.

Rate of Return Expectations

- 3.7 The Investment Policy Portfolio, invested passively, is expected to provide a real rate of return of at least 5.0% over moving four-year periods. In any one year, however, the annual real return may be significantly above or below 5.0%.

- 3.8 The Fund is invested using both active and passive management strategies. It is

York University Pension Fund Statement of Investment Policies and Procedures

expected that active management will provide an additional 1.0% to the performance of the Fund for a total real return of 6.0%.

- 3.9 The Fund's total return will be evaluated, over moving four-year periods, by comparing the total annualised return earned by the Fund to the return that could have been earned by passively managing the Investment Policy Portfolio, assuming quarterly re-balancing. The annualized return for each asset class will be compared to its benchmark index.
- 3.10 For the purpose of measuring comparative rates of return of the Fund, all returns achieved by both the passive and the active managers shall be measured after transaction costs, but before administrative expenses and investment management fees. All index returns shall be total returns. All foreign index returns shall be Canadian dollar returns.

York University Pension Fund

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Section 4: Permitted Investments, Constraints, and Exceptions

Permitted Investments and Constraints

4.1 Except where otherwise noted, the following investments may be made either directly, through pooled or mutual funds, or through insurance contracts and are permitted within the following constraints:

a. Equity

Permitted Investments

- Securities publicly traded and listed on recognised Canadian, foreign, and emerging markets stock exchanges including, but not limited to, common shares, convertibles, instalment receipts, depositary receipts, exchangeable shares, share purchase warrants, limited partnership units, income trusts, and preferred shares. No private placements are permitted.

Investment Constraints

- A single equity investment shall not exceed 5% of the total market value of all assets held by the Fund.
- Instalment receipts may only be purchased if cash is also held in an amount equal to the unpaid purchase price.

b. Fixed Income

Permitted Investments

- Bonds, debentures, mortgage loans, mortgage-backed securities, coupons, and real return bonds with maturity greater than one year.

Investment Constraints

- Investments in the securities of any single issuer shall not exceed 2.5% of the total market value of all assets held by the Fund, unless the issuer is, or is guaranteed by, the Government of Canada, one of the Provinces of Canada, or a foreign government rated "AAA" or equivalent by a recognized ratings agency¹.
- At market value, at least 40% of the fixed income securities shall be invested in

¹ Ratings are given to a company or institution by a ratings agency (such as Standard and Poors) as an indication of the likelihood of default on its debt. Different rating schemes are used by different rating agencies. The top (most favourable) rating used by Standard and Poors and Dominion Bond Rating Service is AAA. Bonds that rated "BBB" or above as defined by a recognized ratings agency are considered investment grade.

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securities guaranteed by the Government of Canada or one of the Provinces of Canada.

- At least 90% of all fixed income securities shall be rated at least investment grade by a recognized ratings agency with at least 70% rated "A" (or equivalent) or higher.

c. Real Assets

Permitted Investments

- **Infrastructure:** Tangible assets that provide key services to an economy, including transportation, communication, utilities, social services, and businesses related to these sectors, that are expected to provide long-term stable cash flows. Infrastructure investments shall be held through open or closed-end pooled funds structured as participating debentures, or shares of corporations or limited partnerships formed to invest in infrastructure. Direct ownership of infrastructure is not permitted.
- **Real Estate:** Real property, held through open or closed-end pooled funds structured as participating debentures, or shares of corporations or limited partnerships formed to invest in real estate. Direct ownership of real estate is not permitted. Investments in securities of publicly traded real estate companies and publicly traded real estate investment trusts ("REITs") are considered Equity and not Real Estate.

d. Absolute Return Strategies

Permitted Investments

- Investment and trading strategies focused on delivering absolute returns. These may use any securities, commodities, derivatives, short-selling and leverage and are exempted from Section 4.2 of the Statement. Must be contained within a limited liability vehicle (a "Limited Liability Vehicle").
- Currency derivatives used for purposes other than specific hedges of the Fund's currency exposures.

Investment Constraints

- The total of the net long exposures for all currencies (determined separately for each currency) obtained through currency derivatives that are not specific hedges, shall not exceed 10% of the total market value of assets held by the Fund.

e. Cash

Permitted Investments

- All debt securities with maturity under one year including cash on hand, demand deposits, treasury bills, short-term notes, bankers' acceptances, term deposits, and guaranteed investment certificates.

York University Pension Fund

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Investment Constraints

- Investments in the securities of any single issuer shall not exceed 2.5% of the total market value of all assets held by the Fund, unless the issuer is, or is guaranteed by, the Government of Canada or one of the Provinces of Canada.
- All money market securities shall be rated at least R1 or equivalent by a recognized ratings agency.

4.2 Derivatives²

Permitted Investments

- Futures and options that are regularly traded upon recognized public exchanges or other organized public trading facilities where market prices are readily available.
- Other derivatives, including but not limited to, forward currency contracts and swap agreements, where the counterparty is a financial institution that has a minimum credit rating of "A" or equivalent.

Permitted Uses

- Derivatives may be used only for the following purposes:
 - To hedge (Le., reduce), fully or partly, any investment risk, including market, interest rate, credit, liquidity, and currency risk;
 - To replicate direct investments in the underlying assets or groups of assets (e.g., indices) so as to achieve some advantage of lower cost, transactional ease, or market exposure.
 - To invest in currencies as part of an Absolute Return Strategy.

² Limited Liability Vehicles are exempted from Section 4.2.

York University Pension Fund

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Investment Constraints

- Derivative instruments may not be used to create exposures to securities which would not otherwise be permitted under this Statement or which would be outside the limits under this Statement had the exposure been obtained in the cash markets.
 - Any Investment Manager investing in derivative investments must determine the market value of that Investment Manager's exposures on a daily basis.
 - The Investment Managers shall be responsible for assessing all counterparty risk, where counterparty risk refers to the credit ratings and total exposure limits of the dealers and banks that the Investment Managers use for derivative transactions. The Investment Managers shall implement internal procedures and controls in order to ensure that derivatives are used in compliance with the Statement at all times.
- 4.3 The Fund shall not borrow funds to acquire securities. The borrowing of funds and securities for purposes of short-selling is permitted provided it is done through a Limited Liability Vehicle.
- 4.4 The maximum exposure at the time of acquisition, to anyone Limited Liability Vehicle shall be 5% of the total market value of assets held by the Fund.
- 4.5 Under no circumstances will the Fund guarantee the debt obligations of another entity.
- 4.6 All investments shall be made in accordance with all applicable legislation and the Code of Ethics and Standards of Practice of the CFA Institute.

York University Pension Fund

Statement of Investment Policies and Procedures

Exceptions to Statement

- 4.7 To the extent the Fund invests in a Manager's pooled funds, the foregoing investment constraints, and any other provisions of the Statement that may be affected, shall not apply, but the Manager shall be governed by the Manager's own investment policy for the pooled funds. The Manager shall, in its quarterly compliance letter, inform the Committee when and how the pooled funds differ materially from the guidelines of the Statement. Significant deviations from the provisions in this Statement shall be reported to the Pension Fund Board of Trustees in a timely manner. Each Manager will provide a copy of the Manager's own investment policy for their relevant pooled funds.
- 4.8 The actual percentage of an individual security in relation to the total market value of the Fund may temporarily exceed the limits stated above in Section 4.1. Any such variance shall be rectified within a three-month period or if a permanent variance is considered by the Trustees to be appropriate, new limits will be approved and reflected in this Statement.

York University Pension Fund

Statement of Investment Policies and Procedures

Section 5: Conflict of Interest Policy

Individuals or Other Bodies Governed by the Guidelines

5.1 These guidelines apply to the Trustees, the committee members, the Investment Managers, the Custodian, and any employee or agent retained by any of the foregoing to provide services to the Plan or the Fund. These guidelines do not provide relief from other policies that may cover the aforementioned parties.

Conflict of Interest

5.2 Any persons listed above shall not knowingly permit their interests to conflict with their duties and powers in respect of the Fund. Any such person shall disclose any direct or indirect material association or material interest or involvement in aspects related to his/her role with regard to the Fund's investments that would result in any potential or actual conflict of interest.

Without limiting the generality of the foregoing, this would include any *material* interest in any asset held by the Fund, material ownership, membership on the boards of other corporations, or actual or proposed contracts.

Procedure on Disclosure

5.3 Any person listed above shall disclose the nature and extent of his/her conflict to the Trustees in writing or request to have the details entered in the minutes of the meeting of the Board of Trustees at the earliest of:

- (i) becoming aware of the conflict;
- (ii) the first meeting in which the matter is discussed;
- (iii) the first meeting in which he/she knows or ought to have known that he/she has an interest in the matter discussed.

For the purposes of (ii) above, the disclosure must be made verbally if knowledge of the conflict arises in the course of a discussion at the meeting.

If the party does not have voting power on decisions affecting the Fund, he/she may elect not to participate in the activities related to the issue in conflict or, he/she may continue his/her activities with the approval of the Trustees.

York University Pension Fund Statement of Investment Policies and Procedures

If the party disclosing the conflict does have voting power on decisions affecting the Fund, he/she may elect not to participate in the activities related to the issue in _____ or, he/she may continue to participate only with the unanimous approval of the other participants with voting rights. The notification made by him/her shall be considered a continuing disclosure on that issue, subject to any future notification by him/her, for the purpose of the obligations outlined by these Guidelines.

Related Party Transactions

- 5.4 For the purposes of this section, "related party" and "transaction" have the meanings given to such terms in Schedule III of the Pension Benefits Standards Regulations, 1985 (Canada). Related party transactions are not permitted except as allowed by Section 17 of Schedule III, where nominal value is defined as being less than 0.5% of the market value of the Fund and where an immaterial transaction is defined as having terms and conditions that are not less favourable for the Plan than market terms and conditions.

Section 6: Securities Lending

- 6.1 The Fund, on approval by the Trustees, may enter into securities lending agreements provided the loaned investments are secured by cash or readily marketable investments having a market value of at least 102% of the principal of the loan and accrued interest, and that level of security is calculated daily and maintained throughout the period of the loan. Collateral provided with respect to any such securities lending agreements must have free and clear title and may not be subject to any right of set-off.

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Statement of Investment Policies and Procedures

Section 7: Delegation of Voting Rights

- 7.1 The responsibility of exercising all voting rights acquired through the Fund's investments is delegated to the Investment Managers, except for the Canadian Equity portfolios. For the Canadian Equity portfolios, the responsibility to vote proxies is delegated to an independent professional proxy voting service provider ("Voting Agency"). The Investment Managers and the Voting Agency shall exercise these acquired voting rights with the intent of fulfilling the investment objectives in this Statement and shall act prudently and in the best interests of the Fund and its beneficiaries. The Investment Manager shall provide a copy of its proxy voting policy to the Trustees.
- 7.2 The Committee reserves the right to direct, or override, the voting decisions of the Voting Agency or the Investment Managers if the Committee believes such action is in the best interest of the Fund and its beneficiaries.
- 7.3 The Investment Managers and the Voting Agency shall maintain complete and accurate voting records on all securities that are voted by them and shall provide a detailed quarterly listing of all such votes to the Trustees for its review.

Section 8: Valuation of Investments not Regularly Traded

- 8.1 Marketable securities shall be valued by the Custodian no less frequently than monthly at their market value at that time.
- 8.2 If a market valuation of an investment is not readily available, an estimate of fair value shall be supplied by the Investment Manager to the Custodian. at least annually. In making such valuations, considerations shall be given to bid and ask prices, previous transaction prices, discounted cash flow, independent appraisal values, the valuations of other comparable publicly-traded investments and other valuation techniques that are judged relevant to the specific situation.
- 8.3 For untraded investments on which the Custodian has not been provided with a valuation, the Investment Manager shall report to the Committee within ten days after such time as the market for that investment became inactive.

York University Pension Fund Statement of Investment Policies and Procedures

Section 9: Statement Review

9.1 The Trustees shall review the Statement at least annually, taking *into* account any developments or changes in the following areas:

- the funded status of the Plan;
- the Plan's benefits;
- the demographics of the Plan membership;
- liquidity requirements;
- long-term capital market return expectations;
- investment beliefs;
- risk tolerance;
- available investment products;
- prevailing legislation;
- governance changes; and
- any other developments considered relevant by the Trustees or the University.

Approved and Adopted by
York University Pension Fund Board of Trustees

David Tsubouchi
Chair, Pension Fund Board of
Trustees

Leona Fields
Manager, Pension Fund

Date

Date

University
Secretariat

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Memo

To: Paul Cantor, Chair, Board of Governors

From: David Denison, Chair, Finance and Audit Committee

Date: October 5, 2009

Subject: Capital Approval for Delegation of Authority - City of Toronto
Interest Free Financing for Sustainable Energy Projects

Recommendation:

That the Board of Governors delegate authority to the Vice-President Finance and Administration to execute an agreement with the City of Toronto for interest free financing for sustainable energy conservation projects.

Background and Rationale:

York University is eligible to apply for interest free financing to fund sustainable energy projects from two City of Toronto environmental initiatives that support the goals and objectives of the City's Climate Change, Clean Air and Sustainable Energy Action Plan. The two funds are the Toronto Energy Conservation Fund (TECF), and the Toronto Green Energy Fund (TGEF). Of primary interest at this time is the Energy Conservation Fund as the scope parallels the current Yorkwise Energy Management Project.

The interest free loans are available for a maximum of \$1,000,000 per project up to 49% of the project costs. The repayment period is structured to reflect the anticipated payback of the project, up to 10 years for the conservation projects and up to 20 years for the green energy projects. Given our large and unique campus structure, City of Toronto program staff has suggested York can apply to each fund for multiple projects.

Approval of loans through this program will provide increased funding - flexibility to allow the University to move forward in implementing outstanding elements of the already approved \$39.5 million Energy Management Program, which have been delayed because of the University's present financial situation. Payback of the loans is provided for within the overall financial framework presented to the Board at the time of approval of the Energy Management Program.

At this time we have received authorization to proceed with the "Detailed Application" for two (2) projects in 2009, and we can pursue other projects in future budget years.

Upon approval of the Detailed Applications, York will negotiate with the City the key provisions of a loan agreement that need to be confirmed, and then execute the loan agreement.



Board of Governors

Governance and Human Resources Committee

Report to the Board of Governors
at its meeting of October 5, 2009

The committee met September 16, 2009 and, in addition to the items appearing on the agenda, makes this report for information:

The Committee was introduced to and welcomed the new Assistant Vice President Human Resources, Sharon Hooper. Ms. Hooper succeeds Norman Abmet, who retired last January and sadly passed away in August.

Enterprise Risk Management Oversight:

Vice President Brewer provided summaries from the Risk Management Register of the three key human resources risks: Academic Human Resources, Non Academic Human Resources, and Strategic Labour Relations. This committee will have primary oversight of the Non-Academic Human Resources risk which will be a standing item on the committee's agenda. The committee will also have secondary oversight with respect to the other two risks, particularly for the purpose of understanding and stewarding their interface, and often convergence, with the university's non-academic human resource issues.

Human Resources Issues:

YUFA Tentative Settlement:

Vice President Brewer advised the committee of the conclusion of negotiations and the tentative agreement with the York University Faculty Association, and of the importance of working collaboratively with the association on the issue of faculty workload over this academic year.

WSffiReport:

The committee received the quarterly report on the university's WSIB statistics and acknowledged that the university continues to manage the difficult issues of long term absences due to injury and an ageing workforce.

FSCOCases:

The committee received updates on 2 cases presently before the Financial Services Commission of Ontario.

Governance matters:

Self Evaluation Questionnaire:

The committee reviewed the board self evaluation questionnaire results. The summary findings are appended to this report as appendix A. Generally, governors are satisfied with the structure, functioning and make up of the committees, and their agendas. There is an increased satisfaction level with Board meetings, partly because of the longer meeting duration which provides more opportunity for questions and discussion. There is continued interest in additional information sessions for governors on the university's finances, the relationship of the Board to Senate and its work, and for tours of the campus. The Secretary will be making arrangements and communicating further when these sessions are scheduled.

Nominations:

The committee discussed the importance of filling current Board vacancies in the near future to provide additional strength to some committees, particularly those dealing with financial matters. To that end, individual nominees are being considered and it is the intention of the committee to bring forward nominations for all current vacancies in this calendar year.

Board of Governors Questionnaire
 2008-09

Please indicate from the 5 choices provided your level of agreement with each statement and provide additional comments in either the space provided or on an additional sheet of paper.

	Strongly agree	Agree	Disagree	Strongly disagree	No Opinion
1. Roles and Responsibilities					
1.1 The Board reflects the right balance of skills, experience and diversity	8	9	1		
1.2 All governors have an opportunity to contribute	8	10			
1.3 Committees have clear terms of reference	6	10			2
1.4 The committees provide the Board with enough information so the Board can discharge its responsibilities	8	10			
1.5 The Board governs but does not manage	11	6			1
1.6 Governors understand the bicameral governance system and the role of the University's Senate.	3	11	4		
1.7 Governors understand the financial framework of the University	1	15	2		
1.8 The Board understands the University's relationship with the York University Foundation and the York University Development Corporation (YUDC)	3	12	1		1
Additional Comments:					
<ul style="list-style-type: none"> • Re Item 1.2: Some choose not to; or should be encouraged • Re Item 1.3: It's clear to me, but not sure about some members • Re Item 1.4: Regular reports by chairs should help • Re Item 1.6: Does anyone really understand this? • Re Item 1.7: Again - not convinced anyone BOG or other fully understands this • Re Item 1.7: Attendance at a regular top-line briefing should be encouraged; some are unrealistic about what the university can accomplish with available funds. A brief high level refresher is in order - funds coming in, expenditures • Re Item 1.8: A short refresher is in order • More work to be done so that the Board reflects the diversity of York & its community - culturally, racially & from a career/industry perspective. • Board members need to become more involved in York Life; more connected to York 					
2. Board Meetings					
2.1 The Board meetings are the appropriate frequency and length	9	8	1		
2.2 The location of meetings is appropriate	8	9	1		
2.3 Materials are appropriate	9	9			
2.4 Materials are timely	10	8			
2.5 The decisions requested are clearly	11	7			

	Strongly agree	Agree	Disagree	Strongly disagree	No Opinion
described					
2.6 The presentations are interesting & useful	7	10	1		
2.7 Time for discussion/debate is adequate	5	9	1		
2.8 Minutes accurately reflect discussions and decisions	8	10			
2.9 <i>In camera</i> business is dealt with effectively and appropriately	10	7	1		
Additional Comments:					
<ul style="list-style-type: none"> • I feel badly that I missed a number of board and committee meetings during the past year. There were unfortunate scheduling conflicts and a need to focus on my company's business • Board meetings should be held a little more frequently during the academic year • Re Item 2.3: The new venue should turn that to "strongly agree" • Re Item 2.6: Now that we have them down to five slides - reading from off them should now be banned 					
3. Board Orientation and Education					
3.1 The sessions and campus tours for new Governors are helpful	6	9			3
3.2 The Board Handbook provides appropriate/sufficient background	6	11			1
3.3 The new governors are made to feel welcome	5	10	1		2
3.4 Visits to the research centres are helpful	9	5			4
3.5 Contact with senior administration is sufficient and helpful	8	8	1		1
3.6 The mentorship program for new governors (initiated in 2005) is helpful		7	1		10
Additional Comments:					
<ul style="list-style-type: none"> • Wasn't aware there was a mentorship program • More work around orientation (committee orientation) - should be a schedule that includes hours, sessions with Finance, YUDC, YU Foundation, etc. • Perhaps a more prescribed mentorship program is required. • I am not familiar with it since I became a member before 2005 					

4. Board Member Engagement in the University			
		YES	NO
4.1 In the past year I have:			
0	attended Senate	4	13
0	attended a social or cultural event other than those for	14	4
0	been on campus(es) for a tour	10	8
0	attended or delivered a lecture	6	12
0	met with a member of faculty or staff for a briefing	13	5
0	attended a convocation ceremony	3	15*
4.2 I have participated in other activities: <i>(please list)</i>			
<ul style="list-style-type: none"> • Attended sports games & Fine arts performances • I have agreed to deliver a speech for a Schulich conference • YU Foundation events; advisory meetings • Student Roundtable • Served on the committee (search) for the new Board Chair • Sports games & awards ceremonies • York Leadership program, York Biotech • York Leadership Roundtable Dinners, Gairdner Awards • Infrastructure announcements; Japan Lecture • When I attend Student Issues Roundtable, it gives me insight into student activities at York - their achievements and concerns, and also the dedication of faculty/staff - especially Robert Tiffin to student affairs. • Have in the past 			
Comments on the value derived for the above noted activities:			
<ul style="list-style-type: none"> • Hard to evaluate as a faculty member of BOG (I. Coe) • Essential - connects Board members with the University - strengthens ability to govern and gives Board a face for the university stakeholders -legitimizes the board (they <u>do</u> exist & care & know the university. • Serving on the Board Chair Search Committee was a valuable learning experience, with respect to better understanding the role of the Board Chair and broader issues relating to effective university governance. • Have been out of the country, so my fault I have not been available • Very valuable to engage in university life/students • I think participating in the other activities is where I can add value. • Opportunity to learn more about the institution and the academy • Campus tours always fascinate me. I come to know a little bit more about York every time I participate. • I feel it is important for Board members to be present at University events 			

	1	2	3
4.3 I am interested/not interested in participating in the following educational and social activities (please indicate level of interest from 1 being high to 3 being no interest):			
(a) Campus facilities tour (Le. physical plant, new buildings, student spaces, development lands etc):			
0 Keele campus	6	6	6
0 Glendon campus	5	6	6
(b) Research centre(s) tours	7	9	1
(c) Special "named" academic lectures	5	8	1
(d) Seminar on:			
0 York University funding	5	8	4
0 Financial statements	5	7	3
0 Investment strategies	3	7	4
0 Land Development Strategies	5	6	4
0 Student clubs and activities	5	7	3
0 Senate governance and issues	5	5	5
0 York University Art collection	2	9	2
(e) Social Events:			
0 Faculty Awards Receptions	8	8	2
0 Other -	1	4	

Name (please print)

Date

Results as of Sept. 1109

LAND AND PROPERTY COMMITTEE

Report to the Board of Governors
at its meeting of October 5, 2009

The Land & Property Committee met on 22 September 2009 and submits this report to the Board for information:

1. Capital Construction Update

Many of the projects in progress are substantially complete, and the others progressing well and on budget. The *York Research Tower* and the *Sherman Health Science Research Centre* are in the final stages of completion and several new major projects have started, including the Osgoode Hall Law School renovation and the new *Life Sciences Building*. The Energy Management Program is continuing with the implementation of multiple measures in various areas of York's campuses.

2. Secondary Plan Review

The City of Toronto's progress on the Secondary Plan for York University was hindered over the summer due to the municipal workers labour disruption. The final Community Consultation Meeting originally scheduled for June 30 was rescheduled to September 29, 2009. Over the summer, York and the City mapped out a work program that satisfies all statutory requirements, and which targets bringing a final report recommending adoption of the updated York University Secondary Plan to Community Council and City Council at their meetings on November 10 and 30, 2009 respectively.

Additionally, the City expressed its intention that a final report on the Secondary Plan be brought forward concurrently with a report containing a final evaluation by the City of 14 academic buildings and four pioneer structures at the Keele Campus with a view to "list" the academic buildings on the City's inventory of Heritage Properties and to "designate" the pioneer structures in accordance with the Ontario Heritage Act. Regulatory requirements dictate that cultural heritage matters first be considered by the Toronto Preservation Board; it is hoped that the Preservation Board will deal with the item of business at its meeting in late October in order to keep the Secondary Plan on the agendas of the Community and City Council meetings in November. The Land and Property Committee conveyed its expectation to the City staff that the heritage designation of University buildings be a collaborative process between the University and the City, and not one by which approval of the Secondary Plan is contingent on the University's acceptance of the City's intended heritage designations.

With City Council's approval of the Secondary Plan, it will be brought forward to the Committee and ultimately the Board for approval.

3. Pond-Sentinel Roads Development

As reported to the Board in June, the York University Development Corporation (YUDC) began testing the marketplace for developer interest in a renewed offering of the Pond/Sentinel Road lands for a phased office and commercial development. The recent market-sounding exercise confirmed there is sufficient interest in the development at this time. Formal responses from interested developers on the project were expected to be received by the end of September, after which the University will conduct a rigorous evaluation process with the help of the consultancy firm of Deloitte, to identify qualified bidders for the project. The next stage of the procurement process will be an issuance of a Request for Proposals (RFP),

and it is hoped that can be done in October and the confirmation of the winning bid by the end of the 2009 calendar year.

4. Subway Update

The planning and design work of the subway stations on the Keele campus is continuing. The proposed York University station (at the flag pole) is more fully developed. The design is based on principles which should nicely complement campus uses and aesthetics. The Steeles West Station and bus depot (near the North West Gate) pose greater complexity to accommodate traffic and pedestrian management, land ownership and development opportunities for the University and York Region. The stakeholders are meeting regularly to address the myriad issues that affect this inter-jurisdictional subway station and bus terminal.

5. Northwest Gate Development

Related to the ongoing design and arrangements for the Steeles West subway station is the concept of a development plan with York Region for the lands abutting the future subway station. The University is exploring options with representatives of York Region and the TIC to develop a plan that complements and integrates with the subway station and serves the best interest of both the University and the region. Further information and approvals for any development project will come forward to the Board.

6. York University Master Plan

The updating of the 1988 Master Plan is continuing. A process of broad consultation at the University has begun and will continue over the course of the year to gather background information necessary to develop options for the future evolution of the Keele campus. The Board will be kept apprised of progress on this initiative.

Julia Foster
Chair