BOARD OF GOVERNORS
9:00 a.m., Thursday, October 26, 2017
Gilmour Hall, Council Room (Room 111)

AGENDA

NOTE: Members who wish to have items moved from the Consent to the Regular Agenda should contact the University Secretariat before the Board meeting. Members may also request to have items moved when the Agenda is presented for approval at the Board meeting.

A. OPEN SESSION

1. REMARKS FROM THE CHAIR

2. NOTICE OF MEETING – October 12, 2017

3. APPROVAL OF THE AGENDA - OPEN SESSION

CONSENT (9:00 a.m.)

4. MINUTES OF PREVIOUS MEETING – June 8, 2017 (OPEN SESSION) *Approval*

5. BUSINESS ARISING

6. REPORT FROM SENATE *Approval*

a. Proposal to Establish the Heather M. Arthur Population Health Research Institute/Hamilton Health Sciences Chair in Inter-Professional Health Research

b. Proposal to Establish the Homewood Chair in Mental Health and Trauma

c. Proposal to Establish the DiCenso Professorship in Advanced Practice Nursing

d. Proposal to Revise the Terms of Reference for Director, Digital Transformation Research Centre

7. COMMITTEE REPORTS

a. Planning and Resources Committee

i. Statement of Investment Policies and Guidelines – Cash and Short Term Investments *Approval*

b. Executive and Governance Committee *Information*

i. Terms of Reference – Provost and Vice-President (Academic)

ii. Recommendation to Change the Name of the Farncombe Family Chair in Inflammatory Bowel Disease

iii. Recommendation to Change the Name of the MacKenzie Investments Chair in Evidence-Based Investment Management

MOTION: That items 4 to 7 be approved or received for information by consent.

REGULAR (9:05 a.m.)

8. BUSINESS ARISING

9. COMMUNICATIONS

10. PRESENTATION TO THE BOARD OF GOVERNORS (9:10 a.m.)

Name: Dr. P. Mascher, Vice-Provost (International Affairs)
Title: The Global Engagement Hub – An Update

11. PRESIDENT'S REPORT TO THE BOARD (9:40 a.m.) *Information*

12. REPORT FROM SENATE *Approval*

a. Proposed Policy – Copyright Ownership and a Policy Framework for Licensing Instruction Material

13. COMMITTEE REPORTS (10:00 a.m.)

a. Audit Committee *Approval*

i. Annual Financial Report 2016-2017

ii. Appointment of External Auditor

b. Planning and Resources Committee

i. Peter George Centre for Living and Learning – Budget Revision *Approval*

14. REPORTS RECEIVED FOR INFORMATION (10:35 a.m.)

a. Report from Health, Safety and Risk Management

15. OTHER BUSINESS

McMaster University

MINUTES OF THE BOARD OF GOVERNORS
June 8, 2017 at 8:30 a.m.
Council Room, Gilmour Hall

PRESENT: Ms J. Pike (Chair), Ms L. Allan, Mr. Q. Broad, Ms S. Cruickshanks, Dr. P. Deane, Mr. S. Donnelly, Mr. P. Douglas, Mr. D. Feather, Dr. D. Harnish, Mr. D. Horwood, Dr. R. Kleiman, Mr. B. Merkel, Mr. R. Narro Perez, Mr. K. Nye, Mr. R. Piro, Ms J. Rowe, Ms F. Samji, Dr. H. Schellhorn, Mr. N. Skelding, Ms C. Stefankiewicz, Ms S. Stephenson, Dr. E. Szathmáry, Dr. L. Thabane, Mr. T. Valeri, Dr. D. Wilkinson, Ms H. Ayre (University Secretary), Mr. M. Downard (Associate University Secretary)

OBSERVERS: Dr. R. Baker, Mr. R. Couldrey, Ms E. Davies, Ms D. Henne, Dr. L. Parker, Dr. B. Levy, Ms T. Smith, Mr. T. Van Boxel, Ms M. Williams

INVITED: Dr. M. Attalla, Assistant Vice-President, Facility Services
Dr. S. Hanna, Professor and Chair, Budget Committee
Mr. J. Kirkness, Senior Associate, Baker and MacKenzie
Dr. J. Lee, Associate Vice-President, Institutional Research and Analysis
Ms W. McKenna, Assistant Vice-President, Human Resources
Mr. M. Thompson, Willis Towers Watson

REGRETS RECEIVED: Ms H. Faidi, Dr. M. George, Dr. A. Holloway, Ms. R. Jamieson, Mr. C. Keizer, Mr. M. Latimer, Mr. E. Onuoha, Dr. B. Pelton, Dr. S. Porter, Mr. M. Runciman, Mr. D. Williamson

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A. OPEN SESSION

1. REMARKS FROM THE CHAIR

Ms Pike welcomed members to the June 8, 2017, meeting of the Board of Governors.

2. NOTICE OF MEETING – May 27, 2017

The notice of meeting was circulated on May 27, 2017.

3. APPROVAL OF THE AGENDA – OPEN SESSION

Ms Pike noted that no requests had been received to move any items from the Consent to the Regular agenda of the Open Session.

IT WAS DULY MOVED AND SECONDED,

that the Board of Governors approve the Open Session agenda for the meeting of June 8, 2017, and that items 4-8 be approved, or received for information, by Consent.

The motion was ***Carried.***

CONSENT

4. MINUTES OF PREVIOUS MEETING – April 20, 2017 (OPEN SESSION)

Motion:
that the Board of Governors approve the Open Session minutes of the meeting held on April 20, 2017 as circulated.

Approved by Consent

5. BUSINESS ARISING

6. REPORTS FOR INFORMATION

a. President's Advisory Committee on Building an Inclusive Community – Annual Report

The report was for information.

b. Report from Health, Safety and Risk Management

The material was for information.

7. REPORT FROM SENATE

a. Recommendation to Change the Name of the Boris Family Chair in Human (Neural) Stem Cells

Motion:
that the Board of Governors approve the name change for the Boris Family Chair in Human (Neural) Stem Cells, as outlined in the report from Senate.

***Approved* by consent**

b. Revisions to the Tenure and Promotion Policy and SPS Documents

Motion:
that the Board of Governors approve the revisions to the Tenure and Promotion Policy and SPS documents as detailed in Attachment II of the report from the Senate.

***Approved* by consent.**

c. Proposed Revisions to the Terms of Reference for the Stephen A. Jarislowsky Chair in Environment and Health

Motion:
that the Board of Governors approve the proposed revisions to the terms of reference for the Stephen A. Jarislowsky Chair in Environment and Health, as circulated in the attached report from Senate.

***Approved* by consent.**

8. COMMITTEE REPORTS

a. Planning and Resources Committee

i. Investment Pool - Revised Statement of Investment Policies and Objectives

Motion:
that the Board of Governors approve the changes to the Statement of Investment Policies and Objectives for the Investment Pool as shown in Attachment I.

Approved by consent.

ii. McMaster Innovation Park – Audited Financial Statements

Motion:
that the Board of Governors receive the McMaster Innovation Park 2016 audited financial statements, as contained in Attachment II.

***Approved* by consent.**

b. Pension Trust Committee

i. Revised Statement of Investment Policies and Procedures

Motion:
that the Board of Governors approve the revised Statement of Investment Policies and Procedures for the Contributory Pension Plan for Salaried Employees of McMaster University Including McMaster Divinity College, as shown in Attachment I.

***Approved* by consent.**

c. Remunerations Committee

i. TMG Recommendations

Motion:
that the Board of Governors approve the compensation and plan redesign recommendations for 2017-2018 for The Management Group, as outlined in Attachment I of the report from the Remunerations Committee.

***Approved* by consent.**

REGULAR

9. BUSINESS ARISING

There was no business arising from the minutes of the previous meeting.

10. COMMUNICATIONS

There were no communications for the meeting held on June 8, 2017.

11. PRESIDENT'S REPORT TO THE BOARD

Dr. Deane provided members with an update on McMaster's branding initiative, titled Brighter World, which aims to leverage the University's strong reputation as a research-intensive institution. The administration has undertaken extensive consultations and has established the branding statement "advancing human and societal health and well-being". Support for the Brighter World brand has been very positive.

Members were informed that McMaster has made its first submission to government for the second Strategic Mandate Agreement. Discussions will continue and it is anticipated that a response will come from the Ministry of Advanced Education and Skills Development in the coming months.

12. REPORT FROM SENATE

a. Proposal to Establish the McMaster University Centre for Buddhist Studies

Dr. Deane informed members that on May 17, 2017, Senate approved a recommendation from the University Planning Committee to establish the McMaster University Centre for Buddhist Studies. Buddhist studies is an area of research and teaching excellence for the Faculty of Social Science and the creation of the Centre will provide an opportunity to further advance the work of faculty members. The Centre will also provide international profile to attract funding for faculty and students at McMaster.

IT WAS DULY MOVED AND SECONDED,

that the Board of Governors approve the establishment of the McMaster University Centre for Buddhist Studies, effective immediately, as detailed in the report from Senate.

The motion was ***Carried***.

b. Proposal to Establish the Michael G. DeGroote Centre for Medicinal Cannabis Research

At its May meeting, Senate approved the establishment of the proposed Michael G. DeGroote Centre for Medicinal Cannabis Research, joint with St. Joseph's Healthcare, Hamilton. The Centre was also reviewed and approved by the University Planning Committee on April 19, 2017. The objective of the Centre is to apply the highest standards of research and evidence-based medicine to understanding the therapeutic potential and risks for cannabis and its derivatives, particularly in the areas of pain management.

IT WAS DULY MOVED AND SECONDED,

that the Board of Governors approve the establishment of the Michael G. DeGroote Centre for Medicinal Cannabis Research, joint with St. Joseph's Healthcare Hamilton, effective immediately, as outlined in the report from Senate.

The motion was ***Carried.***

c. Research Integrity Policy

The University's policy was revised extensively during the 2012-13 academic year, in order to bring McMaster's practices and procedures into compliance with the new Tri-Agency Framework on Responsible Conduct of Research. When the new policy was approved, it was agreed that it should be reviewed in three years to ensure that it was operating as intended. The review was to focus on the Policy and procedures in light of experience, and to respond to any concerns or comments, undertake consultations, and make recommendations, should any be required. The Review Panel met beginning in April 2015, undertaking significant work to revise and enhance the current Policy.

IT WAS DULY MOVED AND SECONDED,

that the Board of Governors approve the proposed revisions to the Research Integrity Policy, effective July 1, 2017, as recommended by Senate.

The motion was Carried.

d. Discrimination, Harassment & Sexual Harassment Policy

At its May meeting, Senate approved the recommendations in the report of the panel charged with reviewing the Discrimination, Harassment and Sexual Harassment: Prevention and Response Policy. Among these recommendations were the adoption of a revised Policy on Discrimination and Harassment: Prevention and Response, and revised Hearing Procedures for the Board Senate Hearing Panel for Discrimination, Harassment and Sexual Violence. As detailed in the report of the Review Panel, changes are being proposed that will streamline the process and parallel as much as possible that set out in the recently approved Sexual Violence Policy. The Panel is recommending that this policy be reviewed again in two years at the same time and by the same group as the Sexual Violence Policy to ensure that both policies remain aligned. The Panel is also recommending that other relevant policies be reviewed to ensure that they are all consistent.

IT WAS DULY MOVED AND SECONDED,

that the Board of Governors approve the recommendations of the panel to review the Discrimination, Harassment and Sexual Harassment: Prevention and Response Policy as set out in the report from the Senate, including the revised policy and the Hearing Procedures for the Board-Senate Hearing Panel for Discrimination, Harassment, and Sexual Violence, effective June 8, 2017.

The motion was ***Carried.***

13. COMMITTEE REPORTS

a. Planning and Resources Committee

i. 2017-18 Consolidated Budget

At its meeting on May 25, the Planning and Resources Committee reviewed and approved the proposed consolidated budget for 2017-18. The report on the consolidated budget describes in detail the budget for 2017-18, including information related to the strategic priorities of the University. The University's consolidated budget is comprised of the operating, ancillary, research, capital and trust funds. The operating fund is structurally balanced, with a surplus of $1.4 million after one-time expenditures. The consolidated budget includes support for McMaster's Strategic Mandate Agreement, and also includes commentary on the University's financial priorities.

Dr. Hanna, Professor and member of the Budget Committee, gave a presentation on the 2017-2018 consolidated budget.

A discussion took place regarding McMaster's deferred maintenance backlog. It was noted that this is a challenge that is being addressed. The University has been increasing its budget by $2 million in order to make progress to reduce the outstanding amount of deferred maintenance. Dr. Attalla provided an overview of how work is prioritized based on the critical impact on campus.

IT WAS DULY MOVED AND SECONDED,

that the Board of Governors approve the 2017-2018 Consolidated Budget as recommended by the Planning and Resources Committee.

The motion was ***Carried.***

ii. 2017-18 & 2018-19 Tuition and Miscellaneous Fees

The proposed 2017-18 and 2018-19 tuition and miscellaneous fees were reviewed and approved by the Planning and Resources Committee on May 25, 2017, and were also approved by the University Student Fees Committee and the Budget Committee. The proposed fees are compliant with the tuition framework required by the Ministry of Advanced Education and Skills Development.

IT WAS DULY MOVED AND SECONDED,

1. Tuition Fees
that the Board of Governors approve the 2017-18 and 2018-19 tuition fee schedule and the 2018-2019 tuition fee schedule for the Centre for Continuing Education, as contained in Appendix A of the circulated material.

2. Miscellaneous Fees
that the Board of Governors approve the 2017-18 and 2018-19 miscellaneous fees, as contained in Appendix B of the circulated material.

3. Divinity College
that the Board of Governors approve the 2017-18 and 2018-19 tuition fees for the Master of Theology (MTS) and Master of Divinity (MDiv), as contained in Appendix C of the circulated material.

The motion was ***Carried.***

iii. NF91 Main Campus Electrical Transformer and Switchgear Replacement Project

At its meeting on May 25, the Planning and Resources Committee approved the proposed NF91 campus electrical transformer and switchgear replacement project at a total cost of $12,000,000. The main campus electrical switchgear receives incoming power from the NF91 transformer yard and distributes power to approximately 48 buildings on campus.

IT WAS DULY MOVED AND SECONDED,

that the Board of Governors approve the implementation of phase two of the NF91 electrical transformer and switchgear replacement project at an estimated cost of $12,000,000 including net HST.

the motion was ***Carried***.

iv. Campus Master Plan

McMaster's Campus Master Plan was originally prepared in 2002, with a subsequent update in 2008. The Campus Master Plan Steering Committee was established to help with the recent process for revising the Plan. The 2016 Campus Master Plan envisions a future McMaster University that is

welcoming, attractive, and sustainable for generations of students, faculty and staff.

Dr. Attalla, Assistant Vice-President, Facility Services, gave a presentation on the Campus Master Plan.

IT WAS DULY MOVED AND SECONDED,

that the Board of Governors approve the updated Campus Master Plan 2016, as contained in the circulated report from the Planning and Resources Committee.

the motion was ***Carried***.

v. Deferred Maintenance and Facility Renewal

On May 25, 2017, the Planning and Resources Committee reviewed and approved the 2017-18 deferred maintenance and facility renewal program for implementation. The Program consists of foundation work, health and safety related items, fire protection, roofing, and mechanical and electrical upgrades. The Program is reviewed and approved by the Planning and Resources Committee on an annual basis and is presented to the Board for approval.

IT WAS DULY MOVED AND SECONDED,

that the Board of Governors approve the 2017-18 Deferred Maintenance and Facility Renewal Program for implementation at a total cost of $11,731,972.

the motion was ***Carried***.

vi. Proposed Revisions to Board By-laws

At its most recent meeting the Planning and Resources Committee reviewed and approved the proposed revisions to the Board By-laws. The proposed changes are being requested to align the by-laws with newly established positions in McMaster's Treasury Operations, as well as other housekeeping changes.

IT WAS DULY MOVED AND SECONDED,

that the Board of Governors approve in principle the proposed changes to the Board of Governors by-laws, as circulated.

the motion was ***Carried***.

14. RECOGNITION OF RETIRING BOARD MEMBERS

Ms Pike recognized the contributions of the following members retiring from the Board of Governors:

Dr. Lehana Thabane, Senate elected representative
Ms Hana Faidi, Undergraduate student elected member
Mr. Michael Latimer, Board elected member
Dr. Robert Pelton, Teaching staff elected member
Mr. Rocco Piro, Non-teaching staff elected member
Dr. Michelle George, Senate elected representative

Gifts of appreciation were presented and Ms Pike thanked all retiring members for their valuable service.

Members were informed the Ms Helen Ayre, University Secretary, will be retiring effective September 1, 2017. Ms Ayre was presented with a gift of appreciation and thanked for her dedication, counsel and contribution to the University.

15. OTHER BUSINESS

There was no further business for the Open Session of the meeting.

McMaster University

REPORT TO THE BOARD OF GOVERNORS
FROM THE
SENATE

a. Proposal to Establish the Heather M. Arthur Population Health Research Institute/Hamilton Health Sciences Chair in Inter-professional Health Research

At its meeting on October 11, the Senate reviewed and approved a recommendation from the Committee on Appointments to establish the Heather M. Arthur Population Health Research Institute/Hamilton Health Sciences Chair in Inter-professional Health Research. The Chair's objective is to support research activity and the development of inter-professional health research in the School of Nursing and the Population Health Research Institute. Details of the proposal are contained within Attachment I of the report from Senate.

It is now recommended,

that the Board of Governors approve the establishment of the Heather M. Arthur Population Health Research Institute/Hamilton Health Sciences Chair in Inter-professional Health Research, as outlined in the report from Senate.

b. Proposal to Establish the Homewood Chair in Mental Health and Trauma

On October 11, Senate approved the establishment of the Homewood Chair in Mental Health and Trauma. The Chair will support excellence in teaching and research in the area of mental health and trauma. The proposal, including terms of reference, is contained as Attachment II of the circulated report.

It is now recommended,

that the Board of Governors approve the establishment of the Homewood Chair in Mental Health and Trauma, as detailed in Attachment II of the report from the Senate.

c. Proposal to Establish the DiCenso Professorship in Advanced Practice Nursing

As recommended by the Faculty of Health Sciences, the Board is asked to consider the proposal to establish the DiCenso Professorship in Advanced Practice Nursing. The recommendation was approved at Senate on October 11, 2017. As detailed in Attachment III of the report from Senate, the Chair will have demonstrated excellence in the area of advanced practice nursing.

It is now recommended,

that the Board of Governors approve the DiCenso Professorship in Advanced Practice Nursing, as circulated in Attachment III of the report from Senate.

d. Proposal to Revise the Terms of Reference for Director, Digital Transformation Research Centre

At its October meeting, the Senate approved a recommendation from the Committee on Appointments to revise the terms of reference for the Director, Digital Transformation Research Centre. Details of the proposal are contained in Attachment IV of the report from Senate.

It is now recommended,

that the Board of Governors approve the revised terms of reference for the Director, Digital Transformation Research Centre, as circulated in Attachment IV of the report from Senate.

Board of Governors: FOR APPROVAL
October 26, 2017

McMaster University

Paul M. O'Byrne
MB, FRCPC, FRSC
Dean and Vice-President
Faculty of Health Sciences

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RECEIVED
By University Secretariat at 5:00 pm, Aug 08, 2017

August 3, 2017

Senate Committee of Appointments
c/o University Secretariat
Gilmour Hall, Room 210

Re: Establishment of the Heather M. Arthur Population Health Research Institute / Hamilton Health Sciences Chair in Inter-Professional Health Research

On behalf of the Faculty of Health Sciences, I would like to recommend the establishment of the Heather M. Arthur Population Health Research Institute / Hamilton Health Sciences Chair in Inter-Professional Health Research.

The Faculty of Health Sciences and our colleagues at Hamilton Health Sciences and the Population Health Research Institute have come together to provide funding to permanently support a Chair at McMaster University in honour of the late Dr. Heather Arthur. The Chair will strengthen the continued development of inter-professional health research at each institution.

The terms of reference for the Chair are attached.

Yours sincerely,

Paul O'Byrne MB, FRCP(C), FRSC
Dean and Vice-President

Encl.

PO/rl

Michael G. DeGroote SCHOOL OF MEDICINE

EXHIBIT A - TERMS OF REFERENCE

Heather M. Arthur Population Health Research Institute / Hamilton Health Sciences Chair in Inter-Professional Health Research

GENERAL

A transfer of funds has been directed to the Faculty of Health Sciences to provide support for the *Heather M. Arthur Population Health Research Institute / Hamilton Health Sciences Chair in Inter-Professional Health Research*. This Chair is created to support the research activity of an individual who has already achieved or has the potential to achieve within 5 years, international leadership in the relevant area of health research. This chair is intended to strengthen the continued development of inter-professional health research in the School of Nursing and PHRI/HHSC. This chair is to be named the "Heather M. Arthur Population Health Research Institute / Hamilton Health Sciences Chair in Inter-Professional Health Research" and the incumbent will have demonstrated excellence in the area of inter-professional health research.

DETAILS AND DUTIES

The holder of the Chair shall be an individual with sufficient research, education and/or clinical experience to lead and expand an inter-professional health research program. Specifically, the Chair-holder will:

- Be an active full-time faculty member in the School of Nursing within the Faculty of Health Sciences at McMaster University, with the opportunity to become a researcher at PHRI at the designation of Scientist or higher;
- Spend at least 50% of his or her time in research;
- Participate in the institutional vision towards establishing and maintaining a world-class program in inter-professional health research which exemplifies the central values of the School of Nursing, McMaster University and PHRI/HHSC;
- Contribute significantly to the body of scholarship in health research with inter-professional teams through research at McMaster University and PHRI/HHSC;
- Develop and supervise PhD or Post-doctoral trainees in the School of Nursing, and across inter-professional teams;
- Undertake the normal duties of a faculty member in the Faculty of Health Sciences, including participation in the education programs of their primary Department.

NOMINATION AND DESIGNATION OF THE CLINICAL RESEARCH CHAIRHOLDER:

The selection and designation of the chair holder will be determined as follows:

- The Dean and Vice-President of the Faculty of Health Sciences will appoint an appropriate ad-hoc selection committee, with recommendations sought from the Executive Committee of the PHRI.
- The Selection Committee shall include, at a minimum, the Associate Dean, Research, the Associate Dean and Director, School of Nursing, the VP Research, HHSC and the Executive Director of the PHRI.

- The selection committee will invite and receive nominations for the newly created chair and make recommendations for the appointment to the Dean and Vice-President of the Faculty of Health Sciences.
- The Dean and Vice-President will forward the ad hoc selection committee's recommendation to the Senate Committee on Appointments.

CHAIR HOLDER ELIGIBILITY:

- Hold an appointment in in the School of Nursing, Faculty of Health Sciences at McMaster University;
- Eligible to hold a Scientist or higher designation at PHRI; hold at least two grants (at least one of which is a peer review grant);
- Have a sustained record of high levels of publication in high impact journals;
- Have supervised and/or mentored PhD or Master's level research students or junior faculty.

TERM:

An appointment to the Heather M. Arthur Population Health Research Institute / Hamilton Health Sciences Chair in Inter-Professional Health Research shall be for up to five (5) years, with the understanding that renewal for additional terms is possible based on satisfactory reviews.

REPORTING, EVALUATION AND RENEWAL OF RESEARCH CHAIRS:

Annual reporting and formal 5 year reviews are required of all Research Chairs. The PHRI Executive Committee, the Associate Dean, Research, and the Associate Dean and Director, School of Nursing, will establish a committee to review the renewal and submit a recommendation for renewal to the Dean and Vice-President of the Faculty of Health Sciences.

ACKNOWLEDGEMENT

The incumbent will acknowledge that she/he holds the "*Heather M. Arthur Population Health Research Institute / Hamilton Health Sciences Chair in Inter-Professional Health Research*" in all publications, lectures and any other activities supported through the fund and will use this designation on letter heads.

July 2017

McMaster University

Paul M. O'Byrne
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Dean and Vice-President
Faculty of Health Sciences

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RECEIVED
By University Secretariat at 3:21 pm, Jun 30, 2017

June 21, 2017

Senate Committee of Appointments
c/o University Secretariat
Gilmour Hall, Room 210

Re: Establishment of the Homewood Chair in Mental Health and Trauma

On behalf of the Faculty of Health Sciences, I would like to recommend the establishment of the Homewood Chair in Mental Health and Trauma.

Homewood Research Institute (via St. Joseph's Healthcare Hamilton) has provided a commitment of annual funding to support this Chair at McMaster. The Chair will contribute significantly to the body of scholarship in the area of mental health and trauma.

The terms of reference for the Chair are attached.

Yours sincerely,

Paul O'Byrne MB, FRCP(C), FRSC
Dean & Vice-President

Encl.

PO/rl

Michael G. DeGroote SCHOOL OF MEDICINE

McMaster University HEALTH SCIENCES

TERMS OF REFERENCE

Homewood Chair in Mental Health and Trauma

General

A transfer of funds has been directed to the Faculty of Health Sciences to provide support for the *Homewood Chair in Mental Health and Trauma*. The incumbent will have demonstrated excellence in the area of mental health and trauma.

Details and Duties

The holder of the Chair shall be an individual with sufficient research, education and/or clinical experience.

Specifically, the chairholder will:

- Hold a full-time appointment in the Department of Psychiatry and Behavioural Neurosciences in the Faculty of Health Sciences at McMaster University;

- Be an integral part of the institutional vision towards establishing and maintaining a world-class program in mental health and trauma research which exemplifies the central values of the University and the Department of Psychiatry and Behavioural Neurosciences;

- Contribute significantly to the body of scholarship in the area of mental health and trauma, through teaching, research and/or clinical work at McMaster University;

- Undertake the normal duties of a faculty member in the Faculty of Health Sciences and the Department of Psychiatry and Behavioural Neurosciences, including participation in the education programs of the Department;

- Along with the Executive Director of the Homewood Research Institute, co-lead the Homewood-McMaster Trauma Research Network;

- Provide scientific and academic leadership to the Network. This will involve facilitative leadership to nurture a collaborative community of practice;

- Working with other partners, develop a high impact network of leading researchers, evaluators, clinicians and other stakeholders who jointly plan, implement and act on studies that improve practice and outcomes in mental health and addictions, and compete successfully for provincial, national and international grants;

- Engage individuals and organizations to leverage talent, influence and resources required for an enterprise/network that serves as a national asset;

- Gradually build the study of concurrent treatment within the Network. This will include collaboration with the Peter Boris Chair in Addictions Research, located at St. Joseph's Healthcare Hamilton.

Selection Process

The Dean and Vice-President of the Faculty of Health Sciences will appoint an appropriate ad-hoc selection committee which shall include, at minimum, the Associate Dean, Research and the Chair of the Department of Psychiatry and Behavioural Neurosciences. The Committee will forward its recommendation to the Senate Committee on Appointments.

Term

An appointment to the Homewood Chair in Mental Health and Trauma shall be for up to five (5) years, with the understanding that renewal for additional terms is possible.

Acknowledgement

The incumbent will acknowledge that she/he holds the *"Homewood Chair in Mental Health and Trauma"* in all publications, lectures and any other activities supported through the fund.

June 2017

McMaster University

Paul M. O'Byrne
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Dean and Vice-President
Faculty of Health Sciences

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RECEIVED
By University Secretariat at 3:26 pm, Sep 07, 2017

September 7, 2017

Senate Committee on Appointments
c/o University Secretariat
Gilmour Hall, Room 210

Re: Establishment of the DiCenso Professorship in Advanced Practice Nursing

On behalf of the Faculty of Health Sciences, I would like to recommend the establishment of the DiCenso Professorship in Advanced Practice Nursing.

The Faculty of Health Sciences, the School of Nursing, the VP Research and a private donor have come together to provide funding to permanently support a Professorship at McMaster University in honour of Dr. Alba DiCenso. Dr. DiCenso has achieved worldwide recognition for her work in the area of advanced practice nursing.

All parties have agreed to support the securing of additional funding to eventually convert this Professorship to a fully-funded Chair. The position will support scholarship and research in advanced practice nursing within the School of Nursing and the Faculty of Health Sciences.

The terms of reference for the Professorship are attached.

Yours sincerely,

Paul O'Byrne MB, FRCP(C), FRSC
Dean and Vice-President

Encl.

PO/rl

Michael G. DeGroote SCHOOL OF MEDICINE

McMaster University HEALTH SCIENCES

TERMS OF REFERENCE

DiCenso Professorship in Advanced Practice Nursing

General

A transfer of funds has been directed to the Faculty of Health Sciences to provide support for the *DiCenso Professorship in Advanced Practice Nursing*. The incumbent will have demonstrated excellence in the area of advanced practice nursing research.

Details and Duties

The holder of the Professorship shall be an individual with sufficient research and education experience in advanced practice nursing.

Specifically, the professor will:

- Hold a full-time appointment in the School of Nursing in the Faculty of Health Sciences at McMaster University;
- Be an integral part of the institutional vision towards establishing and maintaining a world-class program in advanced practice nursing which exemplifies the central values of the University and the School of Nursing;
- Contribute significantly to the body of scholarship in the area of advanced practice nursing, through research and teaching at McMaster University;
- Undertake the normal duties of a faculty member in the Faculty of Health Sciences and the School of Nursing, including participation in the education programs of the School.

Selection Process

The Dean and Vice-President of the Faculty of Health Sciences will appoint an appropriate ad-hoc selection committee which shall include, at minimum, the Associate Dean, Research and the Associate Dean (Health Sciences) / Director of the School of Nursing. The Committee will forward its recommendation to the Senate Committee on Appointments.

Term

An appointment to the Professorship shall be for up to five (5) years, with the understanding that renewal for additional terms is possible.

Acknowledgement

The incumbent will acknowledge that she/he holds the "DiCenso Professorship in Advanced Practice Nursing" in all publications, lectures and any other activities supported through the fund.

August 2017

OFFICE OF THE DEAN
DeGroote School of Business

RECEIVED
By University Secretariat at 12:12 pm, Sep 11, 2017

TO: Senate Committee on Appointments

FROM: Dr. Leonard Waverman, Dean, DeGroote School of Business

DATE: September 9, 2017

RE: DeGroote School of Business, Director, McMaster Digital Transformation Research Centre Terms of Reference

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On behalf of the DeGroote School of Business, I am pleased to recommend the attached Terms of Reference for the Director, McMaster Digital Transformation Research Centre.

The Director of the McMaster Digital Transformation Research Centre (M-DTRC), is responsible for the current and long-term effectiveness of the Centre, including: planning, budgeting, project management, coordinating with other research institutes and centres within and beyond McMaster, coordinating with the business, government and other relevant communities, and hiring and managing employees associated with M-DTRC. The term is five years. This is a newly established research centre.

Attach.

cc: D. Wilkinson
D. Welch
L. Waverman

1280 Main Street West, Hamilton, Ontario, Canada L8S 4M4
Tel: 905.525.9140 Ext. 24431 Fax: 905.526.0852
www.degroote.mcmaster.ca

Terms of Reference
Director, McMaster Digital Transformation Research Centre (M-DTRC)
DeGroote School of Business
July 2017

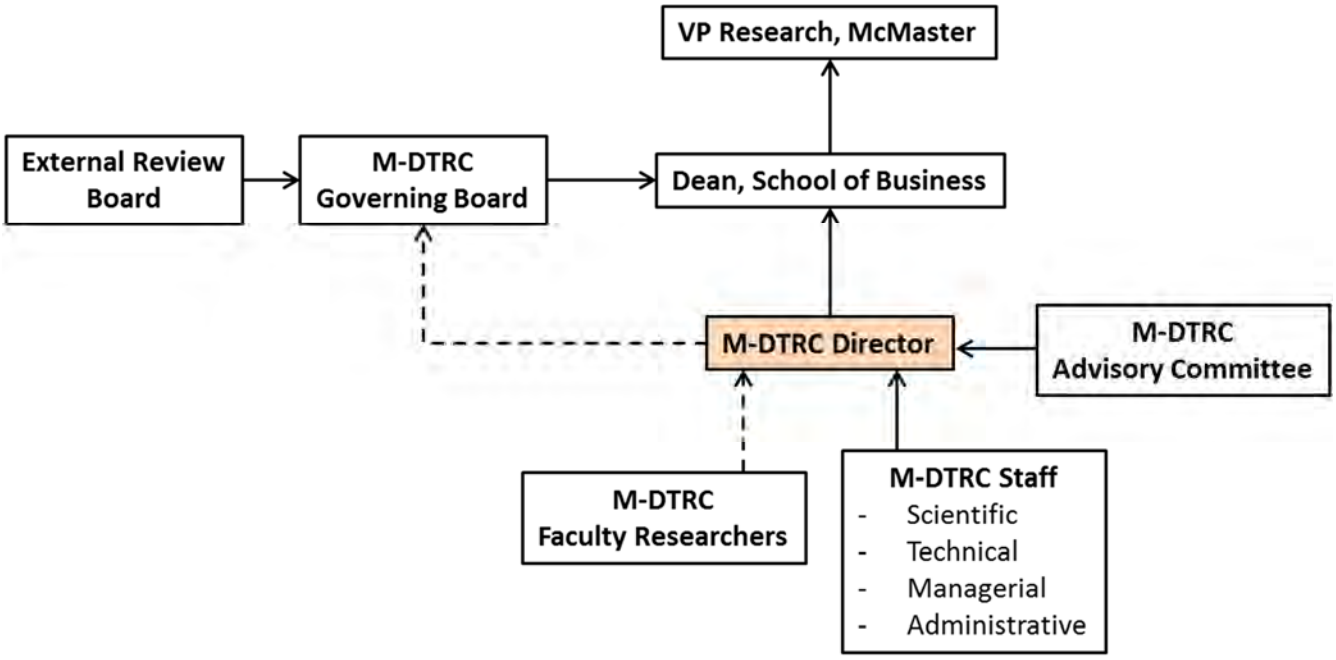
The Director of the McMaster Digital Transformation Research Centre (M-DTRC), is responsible for the current and long-term effectiveness of the Centre, including: planning, budgeting, project management, coordinating with other research institutes and centres within and beyond McMaster, coordinating with the business, government and other relevant communities, and hiring and managing employees associated with M-DTRC. The Director will be appointed for a 5-year term, with the possibility of renewal.

The organizational structure of the M-DTRC will follow the McMaster's Guidelines for the Governance and Review of Research Centres as outlined in the Figure below. The Centre Director, who reports to the Dean of the School of Business, will normally have a five-year term of office, with the possibility of reappointment for subsequent terms. The Director establishes an Advisory Committee (AC) whose purpose is to provide advice to the Director with regard to scientific or scholarly priorities and direction for the Centre. The AC is chosen and chaired by the Director, and convenes at least twice a year, or more frequently at the discretion of the Director. The Centre Director also reports to the Centre's Governing Board (GB) on an annual basis. The GB is chaired by the Dean of the school of Business (or designate), the Chairs of the McMaster Departments which have a substantive investment in the success of the Centre, and one faculty member at large from the School of Business who is active within M-DTRC. The GB, in consultation with the Director, the AC, and members of the Centre, is responsible for constituting an External Review Board (ERB) for the Centre at least every five years, and normally coincident with the final year of the Director's term.

Responsibilities for the M-DTRC Director include but are not limited to:

- Developing short/long range plans and providing overall direction for the Centre in consultation with the Advisory Committee and the Governing Board.
- Developing, reviewing, and revising policies and procedures to provide effective services to support the three mandates of the Centre: 1) research, 2) education, and 3) outreach.
- Promoting and supporting collaborative research, educational and outreach initiatives related to M-DTRC focal areas of interest within the DeGroote School of Business, McMaster and with other institutions/organizations (universities, business and government).
- Ensuring that research projects are executed according to plan and in accordance with relevant agreements and policies.
- Directing and overseeing budgets, allocating funds, organizing committees to ensure that projects under the M-DTRC's mandate are managed appropriately.
- Providing oversight over recruiting and managing the scientific, technical, managerial and administrative staff within the Centre.

- Planning and coordinating with the Advancement – Development & Outreach group of the School of Business for activities related to outreach including holding events and raising funds from donors, corporate sponsors and government institutions in support of the Center's operations.
- Supporting the generation of periodic reports about the Centre's activities.



M-DTRC Organizational Chart & Governance Structure

McMaster University

REPORT TO THE BOARD OF GOVERNORS
FROM THE
PLANNING AND RESOURCES COMMITTEE

i. Revised Statement of Investment Policies and Guidelines – Cash and Short-term Investments

On September 28, 2017, the Planning and Resources Committee reviewed and approved the proposed revisions to the Statement of Investment Policies and Guidelines for Cash and Short-term Investments. Details of the revised document are contained in Attachment I of the circulated report.

It is now recommended,

that the Board of Governors approve the revisions to the Statement of Investment Policies and Guidelines for Cash and Short-term Investments as shown in Attachment I.

Board of Governors: FOR APPROVAL
October 26, 2017

McMaster University

Date: September 13, 2017

To: Planning and Resources Committee

From: Investment Pool Committee

Subject: Statement of Investment Policies and Guidelines – Cash and Short-term Investments

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The Cash and Short-term Investment Statement of Investment Policy and Procedures (SIP&P) has been reviewed. The proposed revisions update the policy to better align with best practices and the investment process and requirements that have evolved over time and to reflect several items of a housekeeping nature. Appendix A is the revised policy with blacklined changes. A summary of the major changes is outlined below:

Summary of Changes

Changes	Comments
a) Section 4.2 (a) (pg. 5&6)	Short-term Investments has been updated to: 1) Explicitly include guaranteed investment certificates, 2) Remove limit on government guaranteed investments, 3) Clarify the specific maximum for Schedule 1 Canadian Bank investments, 4) Add in a minimum counterparty credit restriction for Repurchase Agreement transactions, 5) Add in a maximum limit for Repurchase Agreement short-term borrowing transactions and 6) Permit foreign (USD) investments up to a $50 million.
b) Section 4.2 (b) (pg. 6)	Permitted Fixed Income Investments has been updated to include explicit reference to Guaranteed Investment Certificates
c) Section 4.2 (b) (pg. 7)	Fixed Income Investment Quantity Requirements has been updated to permit foreign currency investments up to a maximum of $50 million.
d) Section 4.2 (c) (pg. 7)	Other fixed income investments has been included to permit investment in preferred shares, subject to minimum credit rating restriction, to maximum total amount of $50 million.
e) Section 6 (pg. 10)	Policy review has been revised to annual policy review from every five years.

Recommendation:

That the Planning and Resources Committee approve, for recommendation to Board of Governors, the revised Statement of Investment Policies and Guidelines for Cash and Short Investments as shown in Appendix A.

Appendix A.

STATEMENT OF INVESTMENT POLICIES AND GUIDELINES

FOR

CASH AND SHORT TERM INVESTMENTS

McMaster University

Policies, Procedures and Guidelines

Complete Policy Title:
Statement of Investment Policies and Guidelines – Cash and Short Term Investment (*formerly Working Capital*)

Policy Number (if applicable):

Approved by:
Board of Governors

Date of Most Recent Approval:
[ ]

Date of Original Approval(s):
March 20, 1999

Supersedes/Amends Policy Dated:
October 23, 2014

Responsible Executive:
Treasurer

Enquiries:
University Secretariat

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McMASTER UNIVERSITY CASH AND SHORT TERM INVESTMENTS

STATEMENT OF INVESTMENT POLICIES AND GUIDELINES

DRAFT

McMASTER UNIVERSITY CASH AND SHORT TERM INVESTMENT STATEMENT OF INVESTMENT POLICIES AND GUIDELINES

SECTION 1 - OVERVIEW

The purpose of this document is to set out the investment principles and practices to be followed in the management of the McMaster Cash and Short Term Investments.

In general, the University Administration, as defined in the University's Safekeeping Resolution, is authorized to complete, without prior approval, transactions involving investments within the limits of this policy.

SECTION 2 - CHARACTERISTICS OF INVESTMENTS

Given the historical data analysis we have a fixed core amount that has remained stable. There is also a variable amount that reflects the cash receipts and disbursements that fluctuate throughout the year. The investment policy for each component is characterized as follows:

1) *Core Amount:* invested in the McMaster University Investment Pool which holds a range of securities including Canadian and global equities, and internal loans.

2) *Variable Amount*: invested in money market securities and short-term bonds and can be internally or externally managed.

In addition to investment management, the University Administration is also responsible for determining the amount considered ~~as~~ as a "*core amount*" based on the medium-to-long-term financial forecast. The management of the "*variable amount*" is based on the short-to-medium-term cash flow requirements of the University.

SECTION 3 - INVESTMENT PRINCIPLES

1) *Core Amount:* the investment principles of the *Core Amount*, which are longer term in nature, are similar to those of the Investment Pool.

The investment objectives of the Investment Pool are stated in detail in the Statement of Investment

Polices and Objectives of the Investment Pool as approved by the Board of Governors. The primary objective is to obtain long-term rate of return based on a diversified portfolio that includes domestic equities, foreign equities and domestic bonds.

2) *Variable Amount:* the investment principles are based on the following:

Security: Security of principal must be the first consideration in any investment and should be ensured by all reasonable credit tests.

Liquidity: The degree of liquidity is measured by the time required to convert a security into cash with minimum risk of capital loss. Liquidity is achieved by limiting the portfolio to readily marketable short term securities.

Yield: Yield is a highly important factor; however, it should be considered only after the requirements of security and liquidity have been met.

Diversification: Portfolio holdings should be diversified as indicated below.

Short term funds in excess of those required each day should be invested at the maximum yield available consistent with the requirements for security and liquidity.

Investments should be arranged so that, through maturities or sales, cash will be available when required. Cash forecasts will be used as a guide. To meet unforeseen requirements at least a part of the portfolio must be in highly liquid investments which can be converted to cash quickly with minimum loss of principal.

SECTION 4 - PERMITTED INVESTMENTS

1) *Core Amount*:

The list of approved investments for the *Core Amount* is included in the "Statement of Investment Policies and Objectives of McMaster University Investment Pool" and the Central Bank Borrowing Policy as approved by the Board of Governors.

2) *Variable Amount:*

Listed below is a summary for Cash and Short Term Investments, and Bonds that provides limits within which the variable amount will be operated. However, if a specific situation arises in which it appears advantageous to go beyond the limits set for amounts or maturities, the approval

of the Assistant Vice-President, Administration or the Vice-President, Administration is required for each such situation before the transaction is made. The Treasurer will periodically review the cash flow requirements of the university to align investment vehicles with the actual need of funds.

(a) Cash and Short Term Investments

(i) Permitted short-term instruments:

- Government of Canada treasury bills, notes, debentures and any obligations unconditionally guaranteed by the federal government of Canada.
- Provincial and municipal treasury bills, notes debentures and any obligations unconditionally guaranteed by the provincial and municipal governments of Canada carrying a R-1 (mid) rating from DBRS, and a long term debt rating of A or higher by DBRS, Moody's or Standard & Poors.
- Commercial paper and corporate bonds issued by a Canadian or foreign corporation carrying a commercial paper rating of R-1 (mid) from DBRS, and a long term debt rating of A or higher by DBRS, Moody's or Standard & Poors.
- Treasury bills, notes or bonds and any obligations unconditionally guaranteed by a foreign government, carrying a R-1 (mid) rating from DBRS, and a long term debt rating of A or higher by DBRS, Moody's or Standard & Poors.
- Bankers Acceptances, Certificates of Deposit, Guaranteed Investment Certificates and similar instruments issued by a Canadian or foreign bank, carrying ~~a~~an issuer/commercial paper rating of R-1 (mid) from DBRS, and a long term debt rating of A or higher by DBRS, Moody's or Standard & Poors.
- Investment savings accounts and similar instruments with one of the following Schedule 1 Canadian Banks (CIBC, TD Bank, BMO, Royal Bank of Canada, and The Bank of Nova Scotia).
- Repurchase agreements collaterized by approved investment vehicles.
- Pooled funds investing in the above noted securities.

(ii) Maturities:

- Maximum term to maturity of instruments is two years.
- Average term to maturity will not exceed 180 days.

(iii) Quantity Requirements:

- ~~Government guaranteed issues must be at least 40% of the market value of fund~~.

- Maximum for a non-government/non-Schedule 1 Canadian Bank-issuer is -10% of market value of fund at time of purchase.

- Investment savings accounts, term deposits notes, guaranteed investment certificates, debt and/or similar instruments with a Schedule 1 Canadian Bank- may not exceed $50 million per institution.

- Repurchase Agreements are limited to counterparties with a short-term credit rating at the time of transaction of R1(L) or higher by one of DBRS, Moody's or Standard & Poors

- Repurchase Agreement borrowing for liquidity management purposes is permitted up to a maximum of $100 million. Investment of Repurchase Agreement proceeds, if any, will be subject to Cash and Short term investment limits.

- ~~No i~~Investments in foreign currencies ~~are allowed~~is limited to GBP, EUR and USD for a combined total maximum of $50 million.

- .

(b) Bonds

(i) Permitted fixed income investments:

- Government of Canada treasury bills, bonds, stripped coupons and residuals and NHA guaranteed mortgage backed securities as well as any other debt obligations unconditionally guaranteed by the federal government of Canada.

- Provincial and municipal treasury bills, notes, floating rate notes, bonds, stripped coupons, debentures, and any obligations unconditionally guaranteed by the provincial and municipal governments of Canada provided that such instruments, at the time of purchase, carry a long term debt rating of BBB or higher by DBRS, Moody's or Standard & Poors.

- Bonds, notes, floating rate notes, certificates of deposit, guaranteed investment certificates, bankers' acceptances, and similar instruments issued by a Canadian or foreign bank provided that such instruments, at the time of purchase, carry a long term debt rating of BBB or higher by DBRS, Moody's or Standard & Poors.

- Bonds, debentures, notes, floating rate notes and commercial paper issued by a Canadian or foreign corporation provided that at the time of purchase, such instruments carry a long term debt rating of BBB or higher by DBRS, Moody's or Standard & Poors.

- Pooled funds investing in the above noted securities.

- Bank Asset-backed commercial paper (Bank Schedule 1 only), and commercial mortgage backed securities carrying a rating of AA or higher by DBRS, Moody's or Standard & Poors.

- Private placements and foreign issuers denominated in Canadian dollars are permitted.

- Treasury bills, notes, or bonds and any obligations unconditionally guaranteed by a foreign government provided that such instruments, at the time of purchase, carry a long term debt rating of BBB or higher by DBRS, Moody's or Standard & Poors.

- All investments shall be reasonably liquid (i.e. - in normal circumstances they should be capable of liquidation within 3 months).

(ii) Maturities:

- All bond investments are limited to maturities of 15 years or less.

- The average term to maturity of bond portfolio shall not exceed 5 years.

(iii) Quantity Requirements

- Government guaranteed issues must be at least 40% of the total market value of fund.

- Except for federal and provincial bonds, no more than 10% of the portfolio, at the time of purchase, may be invested in the bonds of a single issuer and its related companies.

- No more than 10% of the market value of the bond portfolio shall be invested in bonds rated BBB or equivalent and no bond rated BBB shall exceed 3% of the market value of the portfolio.

- ~~No i~~Investments in foreign currencies ~~are allowed~~ is limited to GBP, EUR and USD for a combined total maximum of $50 million.

(c) Other Fixed Income

(i) Permitted fixed income investments:

- Preferred Shares issued denominated in Canadian dollar provided that such instruments, at the time of purchase, carry credit rating of P2(L)/BBB(L) or higher by two of DBRS, Moody's or Standard & Poors

(ii) **Quantity Requirements**

- Total of amount invested in Other Fixed Income Investments shall not exceed $50 million.

SECTION 5 – MONITORING AND CONTROL

Performance Measurements

Core Amount: Core monies invested in the Investment Pool will be subject to the measurements and indices outlined in the Investment Pool Statement of Investment Policies and Objectives.

Variable Amount: Variable monies will be benchmarked to either the FTSE TMX 30 day Canada T-bill index and/or the FTSE TMX Short Term Bond Index. The weighting of each benchmark component will be based on the average amount of investment as this will vary over time reflecting the cash flow needs of the University.

Investment Reporting

At least monthly the Investment Manager(s) shall present reports on the investment performance and actual investment strategy employed since the previous reports. In addition, Investment Manager(s) shall include a statement on the investment strategy to be employed in the next period in view of existing or anticipated economic and investment market conditions

Compliance Reporting by the Investment Manager

The Investment Manager(s) must submit a compliance report on a semi annual basis to the Treasurer. The compliance report should indicate whether or not the manager's portfolio was in compliance with this policy during the previous six months.

In the event that the Investment Manager's portfolio is not in compliance with this policy, the Investment Manager is required to detail the nature of the non-compliance in the semi annual compliance report as well as notify the Treasurer and to implement an appropriate course of action to remedy the situation, as soon as practical.

Standard of Professional Conduct

The Investment Manager(s) are expected to comply at all times and in all respects with the Code of Ethics and Standards of Professional Conduct as promulgated by the CFA Institute.

The Investment Manager(s) will manage the assets with the care, diligence and skill that an investment manager of ordinary prudence would use. The Investment Manager(s) will also use all relevant knowledge and skill that they possess, or ought to possess, as prudent investment managers.

SECTION 6 - ADMINISTRATION

Valuation of Investments

Where a security is frequently traded, valuation will be determined at the relevant market price. Where a security is not frequently traded, the Funds' Custodian will determine the appropriate market value of the particular security and, in the event of a dispute, the value that the custodian has determined will be deemed as correct.

Monitoring of Investment Managers

At least semi-annually, the Treasurer will monitor and review the:

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

Voting Rights

In the absence of specific written instructions from the Board of Governors to the contrary, the Investment Manager(s) are empowered to exercise all rights, including voting rights, acquired through investment of the funds. Investment Manager(s) will exercise these acquired rights with the intent of fulfilling the investment policies and objectives of these funds.

Permitted Loans

Assets may not be loaned except at arm's length as provided for under this investment policy and its allowed investments.

The Trustee under a properly approved contract may loan securities. The investments of the Fund may be loaned for the purpose of generating revenue, subject to the provisions of the Income Tax Act (Canada) and other applicable regulations, and provided that there is full indemnity by the custodian against all losses as a result of the custodian's securities lending program. Cash and/or its equivalents having a market value of at least 105% of the market value of the loaned securities must secure such loans. This mark-to-market relationship must be calculated at least daily.

Conflict of Interest Guidelines

For the purpose of this Statement, any known or perceived conflict of interest of the Investment Manager(s), custodian or party to a decision must be reported to the Chair of the ~~Finance Committee~~Planning and Resources Committee within five working days.

Conflicts Between Policy and Pooled Fund Investment Policies

While the guidelines in this Policy are intended to guide the management of these funds, it is recognized that, due to the use of pooled funds, there may be instances where there is a conflict

between this policy and the investment policy of a pooled fund. In that case, the pooled fund policy shall dominate. However, wherever such a conflict results in non-compliance with the Policy, the Investment Manager must report this conflict explicitly in its semi-annual compliance report.

Policy Review

At least ~~once every five years~~annually, the ~~Finance Committee~~Planning and Resources Committee should review the Cash and Short Term Investments Statement of Investment Policies and Guidelines with respect to the appropriateness of policies, objectives and strategies contained therein.

McMaster University

REPORT TO THE BOARD OF GOVERNORS
FROM THE
EXECUTIVE AND GOVERNANCE COMMITTEE

i. Proposed Revisions to the Terms of Reference for the Provost and Vice-President (Academic)

On September 14, the Executive and Governance Committee approved, on behalf of the Board, a recommendation from the Senate regarding revisions to the terms of reference for the Provost and Vice-President (Academic). Details of the revised terms of reference have been included for information in Attachment I.

ii. Recommendation to Change the Name of the Farncombe Family Chair in Inflammatory Bowel Disease

On June 29, the Executive and Governance Committee approved via electronic vote, a recommendation from the Senate Executive Committee to change the name of the Farncombe Family Chair in Inflammatory Bowel Disease. Details of the name change are contained in Attachment II of the circulated report.

iii. Recommendation to Change the Name of the MacKenzie Investments Chair in Evidence-Based Investment Management

The Executive and Governance Committee approved the recommendation to change the name of the MacKenzie Investments Chair in Evidence-Based Investment Management. The material is provided for information in Attachment III.

Board of Governors: FOR INFORMATION
October 26, 2017

McMaster University

President and
Vice-Chancellor

1280 Main Street West
Hamilton, Ontario, Canada
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RECEIVED
By University Secretariat at 3:59 pm, Aug 21, 2017

August 10, 2017

TO: Senate Committee on Appointments

FROM: Patrick Deane, President and Vice-Chancellor

RE: **TERMS OF REFERENCE FOR PROVOST AND VICE-PRESIDENT (ACADEMIC)**

At the outset of its work, the Selection Committee for a Provost and Vice-President (Academic) undertook a review of the existing position profile and reworked it into formal Terms of Reference for the position. In addition to updating the list of committees and directly reporting positions, the Committee considered the major responsibilities of the Provost and grouped them into the following key areas:

- Academic Strategy and Planning – Leading the University's academic strategy and setting priorities, including leading the development of the University's strategic mandate agreement with the provincial government.
- Faculty Recruitment, Retention and Promotion – Ensuring that faculty are supported with appropriate training and development opportunities and are encouraged to excel.
- Student Recruitment, Retention and Experience – Overseeing the development and provision of high-quality, innovative programs and associated services to create an enhanced student experience, as well as overseeing the recruitment and enrolment management strategy and processes.
- Planning and Budgeting Processes – Leading the University-wide planning and budgeting and working closely with the President, the Vice-President (Administration) and others to prioritize projects and initiatives for investment.
- Reputation and Resource Development – Representing the University externally on academic-related matters, assisting in promoting the University's reputation and achievements and engaging in fund-raising strategies.

A clean copy of the updated version of the Terms of Reference recommended by the Selection Committee, as well as a copy of the previous (2006) Position Profile, are attached to this Memo (Attachments 1 and 2).

On behalf of the Selection Committee for a Provost and Vice-President (Academic), I request that the Senate Committee on Appointments approve, for recommendation to Senate and the Board of Governors, the revised Terms of Reference for the position of Provost and Vice-President (Academic) appended as Attachment 1.

Complete Policy Title: Provost and Vice-President (Academic) Terms of Reference	Policy Number (if applicable):
Approved by: Senate Board of Governors	Date of Most Recent Approval: September 13, 2017
Date of Original Approval(s):	Supersedes/Amends Policy dated:
Responsible Executive : President	Enquiries: **University Secretariat**

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McMaster University is a leading research-focused student-centred university and is committed to developing a distinctive, personalized, engaging and sustainable student experience, maintaining and further strengthening its capability for outstanding research and scholarship, and enhancing the connections between the University and the communities we serve, locally, provincially, nationally and around the globe.

The Provost and Vice-President (Academic) is the senior Vice-President and Chief Academic Officer of the University. The Provost reports to the President and Vice-Chancellor and is accountable to the President and the Senate for the academic administration, planning and development of the University. The Provost provides vision and leadership for all of McMaster's academic activities including faculty recruitment, retention and promotion; attracting and retaining excellent students; enrolment management; graduate and undergraduate program development and assessment; student life; library resources; and strategic planning, including oversight of the academic budget and space allocation. The Provost is responsible for fostering an environment that promotes equity and inclusion and where creativity, scholarship, research and teaching excellence can flourish and where students and faculty members can excel.

The Provost serves as Vice-Chair of Senate, is a member of the Board of Governors, and a member of key committees of these two governing bodies. The Provost is also a member of the President's Executive and, as the senior Vice- President, assists the President in co-ordinating the work of the Vice-President (Research), the Vice-President (Administration), the Dean and Vice-President (Health Sciences) and the Vice-President (University Advancement).

The position of Provost shall be held by a qualified faculty member, appointed for a renewable five-year term. The individual will be selected by a Senate *Ad Hoc* Selection Committee for nomination through the Senate Committee on Appointments to the Senate and the Board of Governors, as required by *The McMaster University Act, 1976* and the Senate By-laws.

REPORTING RELATIONSHIPS

Reports to: The President and Vice-Chancellor

Directly Reporting Positions:
Vice-Provost (Faculty);
Vice-Provost and Dean of Graduate Studies;
Vice-Provost (International Affairs);
Vice-Provost (Teaching and Learning);
Vice-Provost (Equity and Inclusion);
Associate Vice-President (Students and Learning) and Dean of Students;
Associate Vice-President (Institutional Research and Analysis);
Six Faculty Deans for academic matters- Business, Engineering, Health Sciences, Humanities, Science and Social Sciences;
Five Faculty Deans for budgetary matters- excluding Health Sciences;
University Librarian;
Director, McMaster Museum of Art;
Chief Technology Officer – jointly with Vice-President (Administration); and
Associate Vice-President (Finance and Planning, Academic)

Collaborates with: Vice-President (Research), Dean and Vice-President (Health Sciences), Vice-President (Administration), Vice-President (University Advancement), Assistant Vice-President (Administration) & Chief Financial Officer, Assistant Vice-President & Chief Facilities Officer, Assistant Vice-President (Communications and Public Affairs), and Executive Advisor (Government Relations)

KEY COMMITTEES

Board of Governors (member)
Planning and Resources Committee (member)
Senate (vice-chair)
[Board-Senate] University Planning Committee (chair)
Budget Committee (member)
Committee on Appointments (member)
Senate Executive (member)
Graduate Council (member)
Undergraduate Council (member)
All of the Faculties (member)
President/Vice-Presidents (member)
President/Vice-Presidents/Deans (member)
Provost's Council (chair)

MAJOR RESPONSIBILITIES

The Provost and Vice-President (Academic) provides vision and leadership for all of McMaster's academic activities and works closely with the President and members of the senior administration to promote and ensure high-quality academic programming, recruit and support excellent faculty and students, and oversee the University's academic planning and associated budget processes.

A. Academic Strategy and Planning

Working within the collegial decision-making environment and governance processes of the University and collaborating closely with the President and colleagues within the senior administration, the Provost:

1. Leads the establishment of the academic goals of the University, and the setting of academic strategy and priorities that are consistent with the University's mission and vision, and in alignment with the strategic priorities and direction outlined by the President.

2. As Chief Academic Officer, leads the development of the University's strategic mandate agreement with the provincial government and ensures that the academic direction of the University is appropriately reflected in such documents.

3. Leads the process of academic planning throughout the University, supporting the Deans in planning and setting priorities for individual Faculties, Departments and Units that are consistent with the University's overall strategic direction and strategic mandate agreement, including cross-Faculty collaboration and interdisciplinary initiatives.

4. Directs and supports the Vice-Provost (International Affairs) in developing and implementing the University's internationalization strategy, working closely with the Vice-President (Research) with regard to international research partnerships and collaborations, and supporting the Deans with regard to the internationalization of the academic curriculum.

B. Faculty Recruitment, Retention and Promotion

1. Assumes leadership and responsibility for the recruitment, retention, development and advancement of faculty, including ensuring the provision of appropriate training and development opportunities for faculty at all stages of their academic careers, commensurate with the University's commitment to equity and diversity, and works to foster an environment where research, pedagogical innovation, community-engaged scholarship and academic service of all kinds are recognized and supported, and where faculty members are encouraged to excel.

2. In conjunction with the President, appropriate committees and the Senate, makes key academic decisions, including with regard to faculty appointments, tenure and promotion recommendations, and academic programming.

C. Student Recruitment, Retention and Experience

1. Oversees the continued development and provision of high-quality, innovative programs of study and research, as well as associated services, to create an enhanced student experience for undergraduate and graduate students that integrates teaching and research, is consistent with the University's strategic priorities and direction, and that prepares students to be engaged and thoughtful citizens.

2. Oversees the student recruitment and enrolment management strategy and processes, including international student recruitment and support, promoting effective integration across all areas of student recruitment, admissions, registration and student support, and works in conjunction with the Deans to ensure appropriate supports within each of the Faculties and other areas.

3. Promotes and supports a high-quality experience for students both within and beyond the classroom, including fostering experiential and active-learning experiences, promoting the integration of research within the undergraduate curriculum, ensuring the provision of appropriate supports and services, and supporting the quality of student life at all levels.

D. Planning and Budgeting Processes

1. Leads the formulation of University-wide planning and budgeting processes, ensuring the relevance and fiscal accountability of the University-wide budget and its alignment with the University's strategic priorities and direction, and the strategic mandate agreement.

2. In partnership with the Vice-President (Administration), exercises responsibility for the budget control procedures approved by the Board of Governors.

3. Oversees the University Fund, working in close collaboration with the President and other Vice-Presidents to prioritize projects, initiatives and areas of investment.

4. Supports the Vice-President (Administration) in maintaining and updating the University's capital plan, ensuring that the plan supports academic priorities and needs with regard to the development, expansion and upgrading of academic and research space, and collaborates with the Vice-President (Administration) and the Assistant Vice-President & Chief Facilities Officer in the development and implementation of major academic building projects.

E. Reputation and Resource Development

Working in close collaboration with the President, the other Vice-Presidents and colleagues in University Advancement, the Provost:

1. Represents and advocates on behalf of the University on academic-related matters before the federal, provincial and municipal governments. Takes an active leadership role in the work of inter-institutional groups engaged in advocacy, funding and policy matters, such as the Council of Ontario Universities, Universities Canada and the U15.

2. Works to develop the University's brand and advance McMaster's national and international reputation as a leading research-focused student-centred University. As a University spokesperson, helps to promote the University's strengths and achievements to the media and to the local and broader communities. Contributes to McMaster's public profile and the development of key partnerships by participating in and representing the University at meetings, functions and events.

3. Works with the President and the Vice-President (University Advancement) to develop fund-raising strategies and to seek additional and innovative sources of funding.

McMaster University

Paul M. O'Byrne
MB, FRCPC, FRSC
Dean and Vice-President
Faculty of Health Sciences

Health Sciences Centre, Room 2E1
1280 Main Street West
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June 7, 2017

RECEIVED
By University Secretariat at 11:35 am, Jun 07, 2017

Senate Committee on Appointments
c/o University Secretariat
Gilmour Hall, Room 210

Re: Name Change for the Farncombe Family Chair in Inflammatory Bowel Disease

On behalf of the Faculty of Health Sciences, I would like to recommend the name of the Farncombe Family Chair in Inflammatory Bowel Disease be changed to the **Farncombe Family Chair in Phage Biology**.

In 2004, the Farncombe family gave a gift to McMaster that included an endowment fund in support of a Chair in Inflammatory Bowel Disease. The terms of reference for the Chair, approved that same year, are being revised to better align with the evolving research directions of the Farncombe Family Digestive Health Research Institute.

The original terms of reference were specific to the field of inflammatory bowel disease (IBD). While this remains an important area of research within the Farncombe Institute, its researchers are now actively studying the role that gut bacteria play in manifestations of IBD and its treatment. Phage biology is concerned with the study of all biological aspects of phages, which are viruses that infect bacteria. Manipulating these bacteria for potential treatments for diseases like IBD requires expertise in that area of phage biology. The revised terms change the scope of the Chair to this field.

Communication and consultation regarding these changes has taken place with the Farncombe family's representative, as well with the affected areas in our Faculty.

Thank you for considering this recommendation. Enclosed please find a copy of the original and revised terms of reference.

Sincerely,

Paul O'Byrne MB, FRCP(C), FRSC
Dean and Vice-President

Encl.

PB/rl

Michael G. DeGroote SCHOOL OF MEDICINE

TERMS OF REFERENCE
(Amended March 2005)

The Farncombe Family Chair in Inflammatory Bowel Disease

General

In May 2004, a gift was directed to the Faculty of Health Sciences to provide an endowment fund in support of the "Chair in Inflammatory Bowel Disease".

In March 2005, the donors exercised their right to name the Chair in accordance with the PGF Family Corp. Gift Agreement (section III A.2), dated May 2004. The endowment fund will be known as: ***The Farncombe Family Chair in Inflammatory Bowel Disease.***

Details and Duties of the Chair

The research and education interests and accomplishments of the incumbent will encompass a broad and comprehensive range of issues in Inflammatory Bowel Diseases.
The holder of the Chair shall be an individual with sufficient research and education experience and who has demonstrated interest in, and capability to implement the objectives set out below.

Specifically the Chair Will:

- Focus on the field of Inflammatory Bowel Disease, address scientific uncertainty, address scientific advancement and include the caliber of scientific content displayed with other research projects ongoing at the University;

- Be an integral part of the institutional vision towards establishing and maintaining a world class research program in Inflammatory Bowel Diseass and thereby exemplify the central values of the University;

- Contribute significantly to the body of scholarship in the area of Inflammatory Bowel Disease through teaching and research at McMaster University;

- Participate in the development, implementation and evaluation of curricular innovations in undergraduate (MD), postgraduate and Continuing Health Education in Gastroenterology in general and Inflammatory Bowel Diseases in particular;

- Undertake the normal duties of a faculty member in the Faculty of Health Sciences, including participation in the education programmes of the Faculty.

Selection Process for Chair

The Dean and Vice-President of the Faculty of Health Sciences will appoint an appropriate Selection Committee. The Selection Committee will recommend an appointment to the Faculty Appointments Committee which will forward its recommendation to the Senate Committee on Appointments.

Term

An appointment to the Chair shall be for an initial five-year period, with the understanding that renewal for additional five-year terms is possible. The incumbent will acknowledge that she/he holds ***The Farncombe Family Chair in Inflammatory Bowel Disease,*** at McMaster University, Faculty of Health Sciences in all publications, lectures and any other activities supported through the fund. The incumbent will participate in the annual donor recognition programme.

McMaster University HEALTH SCIENCES

TERMS OF REFERENCE

Farncombe Family Chair in Phage Biology

General

A gift has been directed to the Faculty of Health Sciences to provide support for the *Farncombe Family Chair in Phage Biology*. The incumbent will have demonstrated excellence in the area of phage biology.

Details and Duties

The holder of the Chair shall be an individual with sufficient research, education and/or clinical experience.

Specifically, the chairholder will:

- Hold a full-time appointment in the appropriate department in the Faculty of Health Sciences at McMaster University, and be an active member of the Farncombe Family Digestive Health Research Institute;

- Be an integral part of the institutional vision towards establishing and maintaining a world-class program in phage biology which exemplifies the central values of the University and the Farncombe Family Digestive Health Research Institute;

- Contribute significantly to the body of scholarship in the area of phage biology, through teaching, research and/or clinical work at McMaster University;

- Undertake the normal duties of a faculty member in the Faculty of Health Sciences and the applicable department, including participation in the education programs of the department.

Selection Process

The Dean and Vice-President of the Faculty of Health Sciences will appoint an appropriate ad-hoc selection committee which shall include, at minimum, the Associate Dean, Research and the Director of the Farncombe Family Digestive Health Research Institute. The Committee will forward its recommendation to the Senate Committee on Appointments.

Term

An appointment to the Chair shall be for up to five (5) years, with the understanding that renewal for additional terms is possible.

Acknowledgement

The incumbent will acknowledge that she/he holds the “Farncombe Family Chair in Phage Biology” in all publications, lectures and any other activities supported through the fund.

June 2017

McMaster University

OFFICE OF THE DEAN
DEGROOTE SCHOOL OF BUSINESS

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L8S 4M4

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RECEIVED
By University Secretariat at 2:54 pm, Jun 15, 2017

TO: Senate Committee on Appointments

FROM: Dean Leonard Waverman, DeGroote School of Business

RE: Name Change - Mackenzie Investments Chair in Evidence-Based Investment Management

Date: June 14, 2017

I am pleased to recommend the name change and updated Terms of Reference of the Mackenzie Financial Corporation Chair in Evidence-Based Financial Planning to the **Mackenzie Investments Chair in Evidence-Based Investment Management**.

This Chair was established through a generous gift from Mackenzie Financial Corporation and Power Corporation. The research, educational interests and accomplishments of the Chair encompasses a broad and comprehensive range of issues in financial planning.

The name change is required in order to appeal to a greater number of potential candidates, as the new name is very central to core areas of modern finance.

Should you require any further information, please do not hesitate to contact me.

Attach.

cc: D. Wilkinson
D. Welch
J. Medcof
A. Danielova

McMaster University
DEGROOTE SCHOOL OF BUSINESS

Terms of Reference

Mackenzie Financial Corporation Chair in Evidence-Based Financial Planning

The Mackenzie Financial Corporation and Power Corporation have made a gift of one million dollars for the establishment of an endowed Mackenzie Financial Corporation Chair in Evidence-Based Financial Planning. The Chair will be held in the DeGrooote School of Business.

Details and Duties of the Chair

This is a tenured faculty appointment. He/she will be expected to assume a leadership role by contributing to the body of knowledge in the area of evidence-based financial planning through teaching, curriculum development, research, and by fostering collaborative relationships with organizations whose focus is on advancing knowledge and devising and maintaining professional standards in this area

The Chair will undertake the normal duties of a faculty member in the Finance and Business Economics Area including participation in the education programs of the School of Business.

Selection Process

The Dean of the School of Business will appoint an appropriate *Ad Hoc* Selection Committee, which shall include, at a minimum, the Area Chair of the Finance and Business Economics Area and senior tenured colleagues in the Area. The recruitment, selection and approval of the candidate will follow the normal procedures of the University for such appointments.

Term

The initial appointment of the Mackenzie Financial Corporation Chair in Evidence-Based Financial Planning will be for five (5) years, with the possibility of renewal.

Acknowledgement

The incumbent will acknowledge that they hold the Mackenzie Financial Services Chair in Evidence- Based Financial Planning in all publications, lectures and any other activities related to the position and will participate in the annual donor recognition program.

August 2011

McMaster University

Terms of Reference

Mackenzie Investments Chair in Evidence-Based Investment Management

The Mackenzie Financial Corporation and Power Corporation have made a gift of one million dollars for the establishment of an endowed Mackenzie Investments Chair in Evidence-Based Investment Management. The Chair will be held in the DeGroote School of Business.

Details and Duties of the Chair

This is a tenured faculty appointment. He/she will be expected to assume a leadership role by contributing to the body of knowledge in the area of evidence-based financial planning through teaching, curriculum development, research, and by fostering collaborative relationships with organizations whose focus is on advancing knowledge and devising and maintaining professional standards in this area.

The Chair will understake the normal duties of a faculty member in the Finance and Business Economics Area including participation in the education programs of the School of Business.

Selection Process

The Dean of the School of Business will appoint an appropriate *Ad Hoc* Selection Committee, which shall include, at a minimum, the Area Chair of the Finance and Business Economics Area and senior tenured colleagues in the Area. The recruitment, selection and approval of the candidate will follow the normal procedures of the University for such appointments.

Term

The initial appointment of the Mackenzie Investments Chair in Evidence-Based Investment Management will be for five (5) years, with the possibility of renewal.

Acknowledgement

The incumbent will acknowledge that they hold the Mackenzie Investments Chair in Evidence-Based Investment Management in all publications, lectures and any other activities related to the position and will participate in the annual donor recognition program.

June 2017

PRESIDENT'S REPORT TO
McMASTER UNIVERSITY'S BOARD OF GOVERNORS
OCTOBER 26, 2017

An Update on the Student Mental Health and Well-being Strategy

Supporting student mental health has been a focus of universities across North America for the past several years. At many institutions, there are a growing number of students who are being treated for anxiety, depression, eating disorders, and substance abuse. The tragedy of suicide remains a complex issue that both post-secondary institutions and society at large continue to wrestle with. I reported to the Board in March 2015 on the launch of McMaster's Student Mental Health and Well-being Strategy, and given the ongoing importance of this issue, and the evolution of the conversation about mental health, I thought it appropriate to provide an update at the beginning of this new academic year.

The development of the Student Mental Health and Well-being Strategy was led by Dr. Catharine Munn (Faculty of Health Sciences & Student Wellness Centre) and Allison Drew-Hassling (Student Affairs), and involved dozens of members from the campus community, including student groups, faculty, staff, and mental health experts. The Strategy includes a commitment that the University "will strive to nurture and support all students to be as healthy as they can be and to reach their potential". It established five key recommendations focused on the provision of robust mental health education, training and campus resources, the implementation of a proactive and coordinated response to students in distress, the review and adaptation of policies and processes to ensure that mental health needs are accommodated, the provision of increased capacity within the Student Wellness Centre, and the establishment of a program of research focused on young adults in post-secondary settings.

I am pleased to report that in the period since the launch of the Strategy significant progress has been made on all fronts, although we recognize, of course, that there is still much more to be done. Sean Van Koughnett, Associate Vice-President (Students & Learning) and Dean of Students, who is leading this initiative, has provided the following summary of our priorities and our progress:

1. **Provide robust mental health and well-being education, training and resources for campus navigators.**

Status: Over 280 students completed safeTalk training last year, and in 2015-16 over 100 frontline staff were trained in Mental Health First Aid (MHFA). Human Resources Services is now equipped to deliver MHFA to groups across campus. In addition, Mental Health was integrated into Welcome Week programming in 2016 and 2017 as one of three "strategic themes".

2. **Implement a pro-active, co-ordinated, consistent and unified approach to students in difficulty across campus.**

Status: The Student Support and Case Management Office was created in 2016 to co-ordinate a consistent and unified approach to supporting and managing highly complex cases involving

mental health. The work of this office often involves multiple university partners, including the Student Wellness Centre, Student Accessibility Services, Housing, Security, and the academic units, along with external health care providers.

In the 2016/2017 academic year, the office handled 82 highly complex cases involving mental health issues, most of which require thoughtful yet timely action. In addition, the Office oversees the Code of Student Rights and Responsibilities and is an Intake Office for the Sexual Violence Policy and the Policy on Discrimination and Harassment: Prevention & Response.

3. Adapt accommodation policies, processes, organizational structures and pedagogies to changing and growing student mental health needs.

Status: Under the leadership of a Committee chaired by Dr. Sue Baptiste, Professor, School of Rehabilitation Science, a re-developed academic accommodations policy was approved by Senate in April 2017. The new policy addresses accommodations for students with mental health disabilities, temporary disabilities, retroactive accommodations, and accommodations for experiential learning environments, and meets all the requirements for accommodations of mental health disabilities put forth by the Ontario Human Rights Commission.

4. Increase capacity within the Student Wellness Centre building on the existing collaborative care model.

Status: Last year, the University's team of highly dedicated physicians, nurses, counsellors and administrative staff in the Student Wellness Centre handled over 45,000 visits from students. Under the leadership of director Rosanne Kent, lead physician Dr. Finola Foley, and associate director (Counselling) Debbie Nifakis, the SWC is further increasing its capacity by hiring four additional front line mental health professionals (two full-time, two part-time). These additional staff were made possible by graduate students, who voted to increase their ancillary fees, and by our own government advocacy efforts, which resulted in increased government funding for frontline mental health support.

5. Establish a program of research and health policy focused on emerging adults in post-secondary settings and building on existing McMaster strengths and resources.

Status: In 2015, Dr. Munn was awarded an $800,000, two-year Mental Health Innovation Fund grant to develop the "Arrive and Thrive" program, which assessed and addressed the needs of students struggling with substance abuse.

What's next?
Strengthening our support for student mental health and well-being will be an ongoing effort involving partners across campus and within the community. Of note:

- McMaster has secured an e-Campus Ontario grant that will enable us to develop and assess the efficacy of digital tools designed to educate instructors on supporting student mental health.
- A review of Student Accessibility Services will occur this year, in part to respond to the escalating need for support of students with mental health disabilities.

- A “stepped care” model is being implemented in the Student Wellness Centre in order to maximize our efficiency and the effectiveness of student care.
- A new Student Wellness Centre will be part of the Peter George Centre for Living and Learning, scheduled to open in Fall 2019. This new space will be larger and more prominent, reflecting the importance and value we place on this service.
- Through the Council of Ontario Universities and in partnership with the Ontario Undergraduate Students Alliance and the College sector, we are advocating for an integrated province-wide strategy for supporting student mental health and well-being.

As recent discussions in the media are highlighting, beyond the work that universities can do to eliminate the stigma of mental illness and provide additional counsellors and supports, there is a critical role for community partners and the health care system in providing care in partnership with post secondary institutions, especially in cases of severe illness. Questions are being asked about when a student is healthy enough to study, and how to support them when they’re not, and there is increased focus on strengthening students’ ability to manage the challenges of university life.

Although this update is focused on support for student mental health, I would be remiss if I didn’t make the point that the University also recognizes the critical importance of raising awareness of mental health issues in the workplace, and supporting the mental health and well-being of our faculty and staff. McMaster’s Workplace Wellness unit plays a crucial role in providing access to support and advice, and also runs a variety of wellness programs for faculty and staff. Our partnership with Homewood Health enables us to provide McMaster employees with an extensive Employee and Family Assistance Program, which includes support for mental health and well-being, and as a member of the Hamilton Anchor Institutions Leadership (HAIL) group, McMaster is also part of an initiative to promote the importance of providing adequate supports for employee mental health to all employers within the Hamilton area.

CAMPUS UPDATE

Rankings Update

Fuelled by a growing reputation for our rare combination of research excellence and high-quality teaching, McMaster dramatically improved its standing in all three of this year’s most respected university reports. McMaster was ranked 78th in the world by the Times Higher Education’s influential World University Rankings, jumping 35 spots from its previous ranking (the biggest improvement of any institution listed among the top 100 in the world.) McMaster was also ranked 66th in the world by the Shanghai Jiao Tong Academic Ranking of World Universities, improving its standing by 13 places, and jumped to 140 in the world in the QS World University Rankings from 149.

McMaster hosts Engineering Deans from around the world

More than 150 delegates from 25 countries shared inspiring ideas on how to improve higher education and prepare the next generation of engaged engineers at a high-profile event held in Niagara Falls, Ontario. Hosted by McMaster University's Faculty of Engineering, the Global Engineering Deans Council Conference (GEDC) explored a range of issues from bio-innovation

for social impact, to teaching students about the Internet of Things, to addressing climate change, to inclusive engineering schools and workplaces in the future. This is the first time the event has been held in Canada.

McMaster Professor elected as Chair of the International Nuclear Energy Academy
McMaster's John Luxat, a highly regarded Professor of Engineering Physics, has been selected to lead an international academy that fosters the safe and economic use of nuclear energy around the world. Luxat, an accomplished researcher and educator in nuclear risk assessment and safety, was recently elected chair of the International Nuclear Energy Academy at its annual general meeting in Austria, part of the general conference of the International Atomic Energy Agency.

Research

McMaster faculty named Fellows of the Royal Society of Canada
Lorraine York, a Professor of English and Cultural Studies, has been elected to the Academy of Arts and Humanities. Mark Crowther, who holds a joint appointment in the Departments of Medicine, and Pathology and Molecular Medicine, and is also an associate of the Department of Health Research Methods, Evidence and Impact, has been elected to the Academy of Science. The Royal Society promotes Canadian research and scholarly excellence and induction into the Society is an honour reserved for Canada's best and brightest scholars.

Two faculty named to the Royal Society's College of New Scholars, Artists and Scientists
Sheila Singh and Paul McNicholas have forged new paths in their respective areas of research: Dr. Singh, as an accomplished clinician scientist and internationally recognized scholar in the area of stem cell biology and cancer research; and Dr. McNicholas as a global leader in computational statistics research, at the forefront of the field because of his trail-blazing work in classification and clustering using mixture models.

Health Geographer named new Fellow of the UK's Royal Society of Arts
Gavin J. Andrews, a Professor in McMaster's Department of Health, Aging and Society, has been named a Fellow of the UK's Royal Society of Arts. Andrews, the Graduate Chair of the Department of Health, Aging & Society, is a leading health geographer. His wide-ranging research explores the dynamics between space, place and aging, holistic medicine, health care work, phobias, sports and fitness, health histories and popular music.

Recognition by the Canadian Academy of Health Sciences
Eileen Hutton, Assistant Dean of Midwifery at McMaster, and Professor of Kinesiology, Stuart Phillips, who holds the Canada Research Chair in Skeletal Muscle Health, have been inducted as Fellows of the Academy of Health Sciences, considered a high honour in the field. They were among 52 new fellows honoured at a recent ceremony in Ottawa.

$16.3M from NSERC awarded to more than 100 McMaster Scientists and Engineers
More than one hundred McMaster researchers, graduate students and postdoctoral fellows have received a combined $16.3M from the Natural Sciences and Engineering Research Council (NSERC). The awards were announced on September 8 by the Honourable Kirsty Duncan, Minister of Science. Recognizing creativity and innovation, NSERC's Discovery Grants program

supports on-going, long-term research plans. These grants, fellowships, and scholarships have been awarded to researchers in three of McMaster's six Faculties – Science, Engineering and Health Sciences – and will help mobilize the University's research efforts by supporting and encouraging promising researchers at various stages of their careers.

Engineering Researchers receive $1.9 million in Federal Funding

Six McMaster researchers have been awarded more than $1.9 million combined for infrastructure funding from the Canada Foundation for Innovation (CFI). The projects are funded through CFI's John Evans Leaders Fund (JELF), designated for exceptional researchers to conduct leading-edge research by giving them the requisite tools and equipment to become leaders in their fields. McMaster's JELF recipients are:

Gianluigi Botton, materials science and engineering, received $800,000 for his project: Advanced Electron Microscopy Tools

Kathryn Grandfield and Nabil Bassim, materials science and engineering, received $799,980 for their project: Plasma Focused Ion Beam for Mesoscale Tomography of Materials

Zeinab Hosseini-Doust, chemical engineering, was awarded $135,361 for her project: Building a Bacteriophage Biotechnology Platform

Thia Kirubarajan, electrical and computer engineering, was awarded $100,000 for his project: Computational Suite for Emerging Concepts in Target Tracking and Information Fusion

Jennifer Bauman, electrical and computer engineering, received $80,000 for her project: Electrified Powertrain Modeling Laboratory: The Optimization of Efficiency, Cost, and Lifetime of Electrified Vehicles

Potential new Leukemia Treatment

Researchers with the McMaster Stem Cell and Cancer Research Institute have found that boosting adipocytes, or fat cells, located in the bone marrow suppressed cancerous leukemia cells but – in a surprise to the research team – induced the regeneration of healthy blood cells at the same time. Nearly one in two Canadians will be diagnosed with cancer in their lifetime.

Breaking down Alzheimer's: Impact of Green Tea Extract

Preclinical evidence suggests that the green tea compound known as EGCG interferes with the formation of toxic assemblies (oligomers), one of the prime suspects in the early steps of the molecular cascade that leads to cognitive decline in Alzheimer's patients. The findings, which are the results of a decade of advancements in nuclear magnetic resonance (NMR) methodology and are featured in the cover page of the *Journal of the American Chemical Society*, could lead to new therapies and further drug discovery, say researchers.

Impact of Being Active

Physical activity of any kind can prevent heart disease and death, says a large international study involving more than 130,000 people from 17 countries published in The Lancet. The Prospective Urban Rural Epidemiology (PURE) study, led by the Population Health Research Institute of McMaster and Hamilton Health Sciences, shows any activity is good for people to meet the current guideline of 30 minutes of activity a day, or 150 minutes a week to raise the heart rate.

McMaster Researchers receive $14 million to establish Fracture Study

McMaster researchers Mohit Bhandari and Sheila Sprague, together with Gerard Slobogean of the University of Maryland, have received funding of more than $14 million to launch a new

research program in fracture management. The Program of Randomized trials to Evaluate Pre-operative antiseptic skin solutions In orthopaedic Trauma (PREP-IT) will be a joint initiative co-ordinated by the Centre for Evidence-Based Orthopedics at McMaster University and the R Adams Cowley Shock Trauma Center at the University of Maryland.

Global and Community Engagement

Political Scientist recognized with Canada Sesquicentennial Award

Henry Jacek of the Department of Political Science was recently honoured with a Canada Sesquicentennial award in recognition of his efforts to engage the community and McMaster students in the civic life of Canada. Filomena Tassi, Member of Parliament and Deputy Government Whip (Hamilton West-Ancaster-Dundas), was on campus to present Dr. Jacek with the award.

The Walrus Talks Mobility Event in downtown Hamilton

Community members, researchers, policymakers and students gathered in downtown Hamilton on October 5 to discuss one of the most pressing issues facing the country: its aging population. The McMaster Institute for Research on Aging (MIRA) and The Walrus Foundation partnered on The Walrus Talks Mobility, which took place at the David Braley Health Sciences Centre. The event featured eight speakers as well as a showcase of age-related research.

Teaching and Learning

Five faculty recognized as Outstanding Teachers

Anna Danielova, Chad Harvey, Felicia Vulcu, Konstantinos Apostolou and Sandeep Raha were honoured earlier this year with President's Awards for Outstanding Contributions to Teaching and Learning. These awards recognize their contributions to education through innovation, continued excellence in teaching, and enhanced student learning as demonstrated by evidence of the intellectual growth of students, the mentorship of students through involvement in research or practical experience, the development of novel and effective educational materials, or leadership that promotes teaching and learning at McMaster.

Indigenous Studies Program celebrates 25 years at McMaster

The Indigenous Studies Program incorporates a unique teaching structure of Indigenous knowledge which involves many Native peoples and Elders. This perspective assists students from various cultures and backgrounds in learning about the history and lives of Aboriginal people. McMaster's is the longest-running such program in Canada.

Integrated Business and Humanities Project highlighted in The Atlantic

A unique partnership between the DeGroote School of Business and the Faculty of Humanities was the subject of a lengthy feature in The Atlantic magazine. "How the Humanities Can Train Entrepreneurs" takes an up-close look at McMaster's Integrated Business and Humanities program. The program adds training in critical thinking, communication, cultural perspective and more to an already world-class business degree. The program was also the subject of a story – "The Arts degree of the future" - in the Toronto Star.

REPORT TO THE BOARD OF GOVERNORS
FROM THE
SENATE

a. Proposed Policy – Copyright Ownership and a Policy Framework for Licensing Instruction Material

At its most recent meeting, the Senate approved the proposed policy framework for licensing instructional material. The proposal outlines the principles that will facilitate the use, sharing, improvement and commercialization of instructional material. Details of the policy are contained in Attachment I of the report from Senate.

It is now recommended,

that the Board of Governors approve the proposed Copyright Ownership and a Policy Framework for Licensing Instructional Material (IM), as contained in the circulated material.

Board of Governors: FOR APPROVAL
October 26, 2017

Complete Policy Title: **Copyright Ownership and a Policy Framework for Licensing Instructional Material (IM)**	Policy Number (if applicable):
Approved by: **Board of Governors**	Date of Most Recent Approval: **X**
Date of Original Approval(s): **X**	Supersedes/Amends Policy dated:
Responsible Executive: **Provost and Vice-President (Academic)**	Enquiries: **University Secretariat**

DISCLAIMER: *If there is a Discrepancy between this electronic policy and the written copy held by the policy owner, the written copy prevails*

A. PREAMBLE

McMaster University strives to exemplify learning-centred, innovative pedagogy, and encourages openness, collaboration, and partnerships in teaching. New instructional modalities using digital, blended and online learning platforms are rapidly evolving. Instructional Materials ("IM") now include not only textbooks and course packs, but also podcasts, vidcasts, and multimedia materials in interactive formats, learning modules, and other formats that will continue to evolve.

This evolution has prompted McMaster to outline principles to facilitate the use, sharing, improvement and commercialization of innovative IM. It has also provided an opportunity to update its policy framework and affirm faculty ownership of copyright with respect to IM in both online and offline environments.

The principles outlined in this policy are drawn from and build on the Canadian *Copyright Act* (the "Act"). Section 13(1) of the Act states that the author should be the first owner of the copyright. Section 13(3) of the Act states that an author's employer is the first owner of the copyright where the work is produced in the course of the author's employment, in the absence of any agreement to the contrary. This document is intended to serve as the "agreement to the contrary" respecting the University and its Instructors.

This policy applies to all original IM created at the University, including non-print materials. Ownership of copyrightable works created by students is governed by the University's *Ownership of Student Work* policy. This policy framework should be consistent with related regulations of the School of Graduate Studies, specifically the licensing agreement signed by graduate students when they submit their dissertations. The *Act*, and employment contracts or collective agreements, as applicable, govern ownership of copyrightable works created by Non-Teaching Staff. Commercialization has been defined in the definitions section of this policy.

B. PURPOSES

The purposes of this policy are:

1. To clarify ownership of copyright of IM at the University for Instructors;
2. To affirm the principle that Instructors are normally the first owners of copyright in the IM that they produce, whether analog or digital, and whether offline or online; and to identify the conditions under which this is not the case;
3. To encourage and reward Instructors who create new IM; and
4. To establish a framework to administer best practices in licensing arrangements for IM and to facilitate the use, sharing, improvement and dissemination of IM.

C. POLICY

1. COPYRIGHT OWNERSHIP

1.1 The University affirms that copyright of IM belongs to the Author(s), except in the special cases listed below.

a. The University hereby retains ownership of copyright in Administrative Documents as defined in the definitions section of this policy.

b. When the University employs Non-teaching Staff for the express purpose of creating or producing works which may be eligible for copyright, or when there is an explicit requirement in a job description for this responsibility (e.g. and without restricting the generality of the foregoing computer programmers, editors, film makers, media producers), the University hereby retains ownership of copyright in the works so produced, unless prior alternative provisions are made in writing.

c. In cases of a Work of Joint Authorship created by Instructors and Non Teaching Staff working under the normal conditions of employment, the University and Instructors shall be considered joint owners of the copyright

in the work. If Non-Teaching Staff are not working within the normal conditions of their employment, then both they and the Instructors may claim, between themselves, joint ownership of the copyright in the work.. For the purposes of this policy, normal conditions of employment at the University would mean:

i. Non-teaching Staff would be under a contract of employment with the University;
ii. the copyright work would be made in the course of the Non-Teaching Staff's employment; and
iii. there is no agreement to the contrary.

With respect to condition (ii) above, what constitutions "in the course of the Non-Teaching Staff's employment" would be set out and determined by the Non-Teaching Staff's employment contract.

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2. FAIR DEALING, OPEN ACCESS, EDUCATIONAL EXCEPTIONS AND THE PUBLIC DOMAIN

2.1 Fair Dealing

In many situations involving the use of course materials, neither the University nor individual staff or faculty require a formal license to use materials created by someone else, if such materials are in the public domain, or if the proposed use fits under the rubric of fair dealing. Such situations include providing photocopied textbook limited excerpts to a class as part of course materials, use of individual slides or pictures with attribution. As well, voluntary sharing of course materials between course instructors may be a normal part of course development and should not require formal licensing arrangements. When thinking about fair dealing it is strongly advised to consult with the appropriate personnel at the University. A list of individuals who can provide assistance can be found on the McMaster University Copyright website.

2.2 Creative Commons and Open Access

Creative commons works are those copyright works that do not require payment for use, but may require the user to adhere to certain license terms attached to the work. Open access refers to scholarly research that is made freely available on the internet. In a scholarly environment, open access often focuses on journal articles. Similar to creative commons works, open Access removes the need to pay for access—to research output and, increasingly, to research data, allowing researchers to more easily disseminate their own work as well as access other people's scholarly work. However in both cases it is important to read and review the license attached to the copyright works.

2.3 Educational Exceptions

The *Act* sets in place certain fair dealing and educational exceptions that allow certain uses of copyright works, including course materials, without permission of the copyright owner. As such, in some cases, obtaining a license for, or

ownership of, copyright in course material may not be necessary for the use of the materials in a course.

2.4 Public Domain

Some IM may be in the public domain. The public domain means that the copyright term of a copyrighted material has expired or that the copyright holder has placed a copyrighted material into the public domain and thus it is available for all to use or build upon.

3. POLICY FRAMEWORK

1. The University may determine that it requires a license for certain IM in which it does not have ownership. In such cases, the University will initiate steps to obtain a license for only those rights that it needs for those rights that it requires. The following sections are intended to provide guidance in setting the terms of standard copyright licenses. Cases requiring a formal license might include:
   - **i.** efforts to sell or commercialize the IM;
   - **ii.** efforts to make the IM available via an open license or to otherwise license the IM to third parties; or
   - **iii.** instances where the University has assisted and invested substantially in the construction of a course or IM , and/or wishes to continue to offer this course for a period of time despite the absence of the original developer of the IM.

2. When the University requires a license for use of IM in which the copyright is, according to the provisions set out above, owned by Instructors and/or Non-Teaching Staff, the University shall obtain a license from the owner(s) of the copyright for use of such IM—as soon as possible, preferably before either Instructors or the University have committed significant time and resources to the project. Licensing arrangements such as standard form licenses/license agreements shall be made available by McMaster's Office of Legal Services for use in such licensing procedures. It is strongly recommended that any standard form license/license agreement should be executed prior to the development of a course. The licensing arrangements should detail:
   a. The specific individual, joint, and collective works to be covered by the license;
   b. The expected lifespan of the course in which the IM will be used, and, in relation to that, the length of the license;
   c. The possibility of license renewal;
   d. How the copyright holder(s)'s departure from the University, incapacitation, or death will affect the terms of the license. Licensing arrangements should normally leave the University in a position where the University can continue to use and adapt IM even if one of the developers of the material is no longer teaching the course. At the same time, some instructors may

desire that certain materials associated with their person, such as videos of lectures, be used only for limited times;

e. The control of the economic rights associated with the copyright work(s) (see *Copyright Act* s. 3). The approach taken in Section 5 to works of Joint Authorship can serve as a guide in this instance; and
f. The control of the moral rights associated with the copyright work(s) (see *Copyright Act* s. 14).

3. When copyright licenses in IM are obtained from external or temporary contractors (eg. in the case of sessional instructors), they should be obtained by the University in exchange for compensation beyond the normal remuneration provided for the teaching of a course.

4. The University, in recognition of the importance of IM to the careers and career mobility of Instructors, should not, as a general rule, make any license that would prevent Instructors from creating or teaching similar or related courses at the University or another institution, whether online or offline. This is particularly true in the case of Instructors whose term of employment at the University is not permanent.

5. For Works of Joint Authorship where the University is a Joint Author:

(a) Net Revenue, that is revenue net of Direct Production Costs, received from the distribution of works of Joint Authorship will be divided between the Author(s) and the University according to their degree of ownership of the IM. In the absence of any agreement between the University and the Author(s) as to the exact degree of ownership there shall be no authorization of any of the exclusive rights enumerated in the *Act* such as but not limited to reproduction, adaptation, distribution, or publication, by any of the Joint Authors or any authorization thereof until there is agreement in writing between the Joint Authors. Such an agreement should determine the exact percentage of ownership in the IM. If an agreement cannot be reached, an adjudicator jointly agreed to by the Provost and the relevant bargaining unit shall resolve the dispute.

Upon reaching an agreement, the Net Revenue received after recovery by the University of Direct Production Costs will be divided between the Joint Author(s) according to the agreed upon percentage of ownership and a sliding scale. This sliding scale encourages the creation and development of innovative IM representing the distribution of royalties.

The table below shows two examples of a royalty distribution sliding scale assuming a 50/50 Joint Authorship agreement and ongoing income. Note, the first example incentivizes faculty in cases where net revenue is not

expected to increase over $100,000 for the life of the project and assigns a higher proportion of the royalties for the first $100,000 in net revenue.

Example 1	**Joint Authors**	
Accrued Net Revenue	**% Author(s) Royalty**	**% to the University**
up to $10,000	100	0
over $10,000 under $50,000	75	25
$50,000 to $100,000	50	50
over $100,000	0	100
Example 2	**Joint Authors**	
Accrued Net Revenue	**% Author(s) Royalty**	**% to the University**
up to $10,000	100	0
over $10,000 under $50,000	75	25
$50,000 or over	10	90
In both examples, the distribution of royalties shall be made annually.		

(b) the University and the other joint author(s) each should grant to each other non-exclusive copyright licenses and the rights to acquire and use copies of the copyright materials at the cost of reproduction without payment of fee or royalty.

6. In a licensing arrangement the University will normally seek to recover all Direct Production Costs. Indirect Production Costs funded by the University will not be included in any calculation of Net Revenues.

Definitions

Author	An individual who creates a copyrightable work
Administrative Documents	Documents created to support the University's ongoing administrative operations in relation to teaching, such as reports and memoranda, and would not normally include Scholarly Works defined below.
Collective Work	Any work written in distinct parts, by different authors, or in which works or parts of works of different authors are incorporated. (*Copyright Act* R.S.C., 1985, c. C-42 s.2)
Commercialization	The act of involving Scholarly Works, Collective Works or Works of Joint Authorship in commerce for a financial gain. The McMaster University, Hamilton Health Sciences, St. Joseph's Healthcare Hamilton Joint Intellectual Property Policy ('Joint IP Policy') also defines and governs the commercialization of intellectual property within the three institutions and thus this definition should be used in accordance with the Joint IP Policy.
Direct Production Costs	Costs directly incurred in the production and/or commercialization of the IM and, without limitation, may include the following: • printing, materials and processing • advertising fees • licensing or royalties paid for use of copyright materials • instructional design and multi-media expertise • development stipends paid to the author • Cost of course releases to support the development of IM • direct fees paid for distribution • hosting
Indirect Production Costs	Costs which exist independent of the decision to develop Instructional Materials and are associated with providing the infrastructure for the development of Instructional Materials including but not limited to provision of functional space and technology.
Instructional Materials	A work created by Instructors intended for the purposes of teaching activities at the University.

Instructor	The employees of University or of a college affiliated with the University who hold the academic rank such as professor, associate professor, assistant professor, adjunct, or lecturer (*McMaster University Act*, 1976, s.1(j)), including Clinical Faculty, Contractually Limited Appointments and Sessional Lecturers and those who are teaching credit-granting courses at the University.
Member of the Institution	The Instructors, Non-Teaching Staff and Students of the University.
Net Revenue	Revenue less all Direct Production Costs relating to publication and commercialization of the Instructional Materials.
Non-Teaching Staff	The employees of the University and of a college affiliated with the University who are not members of the Instructors (*McMaster University Act*, 1976, s.1(e))
Owner	The person or entity who retains legal control over all (or some) of the rights granted under copyright law.
Revenue	All revenue or other consideration generated by the commercialization of Instructional Materials excluding Weighted Grant Units (WGU's) and tuition.
Student	A person who is registered in a course of study approved by the Senate (*McMaster University Act*, 1976, s.1(i)) and includes a post-doctoral fellow.
Scholarly Works	Works comprising traditional academic materials such as, without limitation, lecture notes, laboratory manuals, articles, books, artifacts, works of visual art, maps, charts, plans, photographs, engravings, sculptures and music, no matter in which format any of the foregoing materials may have been recorded or embodied including, without limitation, a computer readable format, where any of the foregoing material has been created by someone who is a member of the Instructors unless they have otherwise agreed in a document in writing. (Definition adapted from s.4.3(a) of McMaster Joint IP Policy).
University	McMaster University.
Work of Joint Authorship	A work produced by the collaboration of two or more authors in which the contribution of one author is not distinct from the contribution of the other author or authors (*Copyright Act*, R.S.C., 1985, c. C-42 s.2)

McMaster University

REPORT TO THE BOARD OF GOVERNORS

FROM THE

AUDIT COMMITTEE

i. Annual Financial Report 2016-2017

The Annual Financial Report 2016-2017 consists of detailed Financial Analysis and the Audited Financial Statements for the year ended April 30, 2017, together with supplemental information relating to the Operating Fund and Operating Budget. The Planning and Resources Committee reviewed the documents on September 28, 2017. The Audit Committee approved the Annual Financial Report Including the Audited Financial Statements for the year ended April 30, 2017, at its meeting on October 10, 2017.

The Audit Committee now recommends,

that the Board of Governors approve the Annual Financial Report 2016-2017, which includes the Audited Financial Statements for the year ended April 30, 2017.

ii. Appointment of External Auditor for 2017-2018

At its meeting on October 10, 2017, the Audit Committee reviewed and approved the re-appointment of KPMG LLP as the external auditors for McMaster University for 2017-2018.

The Audit Committee now recommends,

that the Board of Governors approve the re-appointment of KPMG LLP Chartered Accountants as the Auditors for McMaster University for the 2017-2018 fiscal year.

Board of Governors: FOR APPROVAL
October 26, 2017

Annual Financial Report

2016-2017

DRAFT

www.mcmaster.ca /bms

McMaster University

Annual Financial Report
2016-2017

Change and Transition

McMaster University's Annual Financial Report theme of Change and Transition is beautifully reflected in the gardens at McMaster. By their very nature, gardens are always in transition. McMaster's grounds and gardens are particularly spectacular in the summer, if almost to celebrate the end of another fiscal year.

We have chosen to feature the gardens of summer throughout this report, and are most grateful to our grounds crew for tending and nurturing the gardens so that all campus community members can enjoy them.

In this, Canada's sesquicentennial year, the red and white of our flag is featured in the plantings.

Cover photo: Garden and entrance at University Hall | Plantings: McMaster Facilities Services | Photography: McMaster Public Relations | Layout: Media Production Services


McMaster University

Year in Review

2016/17 Financial Analysis and Commentary

In 2012/13 McMaster's Annual Report was themed Change and Transition. In 2016/17 the focus has been on Change and Transition Reviews. In 2012/13 McMaster launched the first of several Oracle PeopleSoft, or Mosaic, system modules that have had an impact on almost every faculty, staff or student member. The years following focused on system improvements and sustainability, people process changes, training, and more. However, in 2016/17, four years following the first system launch, there was a renewed interest across McMaster in further opportunities for change. In the past year, McMaster has launched, completed, or is in the process of completing an IT Review, a Budget Model Review, a Research-Finance Review, and a multi-university Benchmarking exercise. All of these initiatives are aimed at re-examining our non-academic activities in an effort to understand what McMaster does well and where improvements can be made. The IT Review resulted in a new IT governance model being launched in early 2017. This model embraces broad University-wide IT planning, governance, and oversight, involving a variety of system users, and aims to better serve the University's research, teaching and learning, and administration constituencies. The model also places a focus on the core infrastructure and security needs of McMaster's current and future IT environment. Further change initiatives are inevitable as other reviews are actioned.

The year also marked the loss of former McMaster President and Vice-Chancellor, Peter George, who served three terms as President before retiring in 2010. The new 500-bed residence and learning centre currently under construction will be named the Peter George Centre for Living and Learning in his honour.

Other capital initiatives completed or underway during the 2016/17 year include L.R. Wilson Hall, the Gerald Hatch Centre for Engineering Experiential Learning, and the renovation and expansion of the A.N. Bourns Building, including the Combined Heat & Power Plant. In addition, two new public-private partnerships (P3) are underway. The first P3 project approved is McMaster's Main Street Student Residence, a two-phase undergraduate residence that will provide approximately 1,500 additional beds when fully completed, as well as community and research space. The second P3 initiative in approval stages is a downtown graduate student residence that will provide over 580 graduate student beds. McMaster's involvement in P3 projects has allowed the University to partner with private developers to access capital funding that would otherwise not be available to the University without impacting its future debt capacity. Finally, negotiations with the City of Hamilton and MetroLinx regarding the Hamilton Light Rail Transit project are also continuing.

In the past year, McMaster has launched, completed, or is in the process of completing an IT Review, a Budget Model Review, a Research-Finance Review, and a multi-university Benchmarking exercise.

McMaster has made investments in research infrastructure and commercialization opportunities through the provision of space and equipment support at the McMaster Innovation Park for spin-off companies stemming from McMaster researchers. Innovative financial solutions, including equity participation, have been established to cultivate a spirit of support, collaboration and entrepreneurship that is beneficial to individual researchers, the University, and our society.

Solid financial planning initiatives, like many launched in 2016/17, enable McMaster to conserve funds in support of the University's core academic and research mission. McMaster completed 2016/17 with a consolidated surplus of $129.2 million, compared to $29.1 million last year. The most significant contributor to this surplus is investment income, which achieved a 16.0% return (compared to -2.8% in the previous year) and generated $98.4 million in investment income. This income replenishes the recognized loss in the previous year, improves capital preservation of restricted funds, and funds an additional operating budget commitment totaling $15.0 million over five years, ending in 2019/20. McMaster deploys a diversified investment approach to generate long-term revenue streams and preserve capital. Investment markets continue to be somewhat volatile, which has reduced McMaster's long-term average return outlook for the Investment Pool. The lower return environment coupled with the upcoming launch of a corridor (or capped) government-funding model for domestic student enrolment means it is more critical than ever that new revenue generation and investment opportunities are considered.

Also during 2016/17, a number of initiatives were launched as part of a multi-year plan to better align McMaster to the United Nations Principles for Responsible Investment. Initiatives include the consideration of additional environmental, societal, governmental and public policy factors when hiring new investment managers or implementing investment strategies. Further, McMaster issued a request for proposals to complete a carbon-footprint measurement of the Investment Pool that will inform the Investment Pool Committee and improve reporting capabilities to the McMaster community. Several investment related initiatives have been established as an interim step pending completion of the report from the Advisory Committee on Fossil Fuels Divestment.

Included within the consolidated results is an operating fund surplus of $25.9 million (2015/16 $4.4 million).. The surplus relates to both increased revenues and decreased expenditures. Revenue growth includes undergraduate enrolment growth, increased research related revenues, greater external utility recoveries, as well as additional government funding for Indigenous and first generation programs. Expenditure decline includes utility savings, and deferral of some initiatives. Within the operating fund, the University was able to fund a number of key strategic priorities in support of McMaster's strategic mandate agreement objectives.

McMaster's financial health planning contributed to its improved Standard and Poor's credit rating of AA (stable), two ratings above the province, and is founded on a conservative approach to planning for costs. Included in this scope are longer term funding obligations associated with pensions, post-retirement benefits, debt retirement, and capital preservation. During 2016/17, the hourly pension plan was revalued, resulting in a small going concern surplus of $1.6 million and a solvency deficit of $20.4 million. The salaried pension plan will be valued in 2017/18 and new pension legislation will become effective in 2018, which should reduce McMaster's benefit rate. The approach adopted in 2011 to manage the non-pension post-retirement deficits continues to be an effective long-term financing strategy that will eliminate this unfunded obligation over the next 30 years and eliminate the associated benefit rate charge to departments over time. Debt retirement sinking funds exist to repay two $120.0 million bonds (maturing in 2052 and 2065) and continue to be an effective strategy to exhaust these obligations. Finally, annual capital deferred maintenance funding of $10.0 million from the operating budget and additional annual support from residence operations has helped to improve the facilities condition index to 15.0% (16.1% - 2015/2016) along with the completion of new buildings. Additional work on capital preservation is underway to ensure systems infrastructure funding is sufficient to sustain and keep pace with IT needs.

The information contained in this Annual Financial Report is intended to provide the reader with financial information for the fiscal year ended April 30, 2017. While the focus of this document is the consolidated operations of all funds on an accrual basis, information regarding the Operating Fund, which operates on a cash basis for budgeting and accounting purposes, has been included on page 25.

Other documents to which the reader can refer to provide a more in-depth discussion of the University include:

Strategic Mandate Agreement

SMA – Signed Agreement – April, 2014
http://www.mcmaster.ca/vpacademic/documents/SMA_2014_McMaster_Agreement.pdf

SMA – March, 2014
http://www.mcmaster.ca/vpacademic/documents/SMA-McMaster-March,2014.pdf

McMaster Goals and Priorities Report 2016-2017
https://president.mcmaster.ca/wp-content/uploads/2017/09/McMaster-Goals-and-Priorities-Report-2016-2107.pdf

Forward with Integrity
https://president.mcmaster.ca/guiding-strategy/

Consolidated Budget – June 2017
http://mcmaster.ca/bms/pdf/2017-18_budget.pdf

State of the Academy Address – March 2017
https://www.youtube.com/watch?v=pWvuFJoakA4&feature=youtu.be

University Fact Book
http://www.mcmaster.ca/vpacademic/documents/FactBook2015-2016.pdf

Sustainability Report
https://www.mcmaster.ca/sustainability/documents/Sustainability%20Report%202016.pdf

By the Numbers

$541,700,000

Available expendable resources vs. $447,400,000 last year

$113,500,000

Capital spending vs. $94,400,000 last year

$1,093,200,000

Total revenue vs. $954,400,000 last year

$129,200,000

Excess of revenues over expenses vs. $29,100,000 last year

$24,191

Endowment per FTE students vs. $22,617 last year

$963,900,000

Total expenses vs. $925,300,000 last year

$37,527

Revenue per FTE students vs. $34,173 last year

$(220,300,000)

Employee future benefit unfunded obligation non-pension vs. $(208,000,000) last year

$(3,500,000)

Employee future benefit unfunded obligation pension vs. $(169,300,000) last year

$25,900,000

Excess of revenues over expenses operating fund only vs. $4,400,000 last year

$1,111,400,000

Total net assets vs. $784,500,000 last year

29,130

Enrolment (full time equivalent (FTE)) vs. 27,929 last year

7,448

Staff and Faculty head count vs. 7,450 last year

Financial Analysis

TOTAL REVENUE

- Revenues increased 14.5% to $1,093.2 million from $954.4 million.
- Research grants and contracts revenue recognized increased 5.2% based on an increase in research spending during the year.
- Operating grants and tuition income increased by 2.1% and 11.6%, respectively, related to new programs, increased undergraduate enrolment and rate changes within the legislated cap.
- Investment income increased to $98.4 million (2015/16: $12.9 million) due to a 16.0% rate of return in the investment pool versus -2.8% last year.

TOTAL EXPENSES

- Expenses increased 4.2% to $963.9 million from $925.3 million last year.
- Salary and wages increased by $20.4 million (4.5%) and benefits increased by $15.6 million (13.9%) due to increased pension expense.
- Supplies and services increased by 6.0% primarily due to the increase in expenditures in the research, trust and operating funds.

TOTAL ASSETS

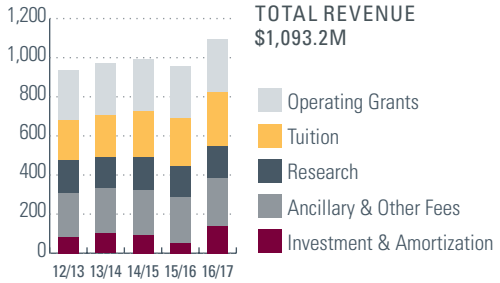
- Assets grew by 8.6% primarily related to long-term investment holdings increasing by 12.7% ($142.5 million), a result of the improved rate of return on investments.
- Capital assets grew by a net of $42.2 million, resulting from $113.5 million in capital additions associated primarily with new building and equipment expenditures and $70.3 million in amortization.

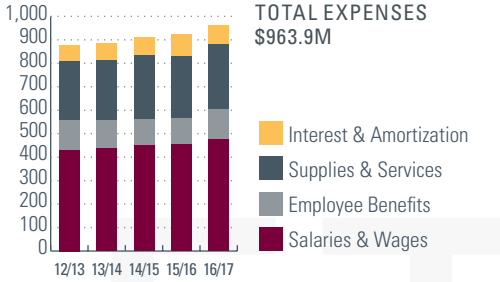
TOTAL LIABILITIES

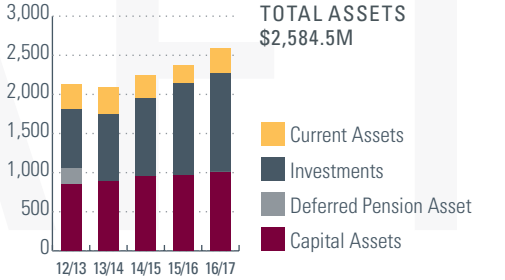
- Liabilities decreased by 7.6%, most of the decrease is attributed to employee future benefits decreasing by $153.5M (-40.7%), primarily as a result of improved investment returns in the pension translating into a positive re-measurement adjustment.
- Deferred contributions & Long-term obligations have remained relatively flat year over year.

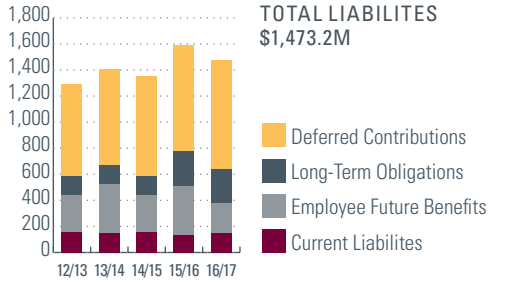
NET ASSETS

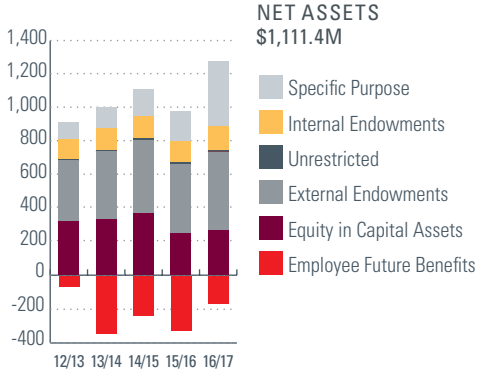
- Net assets increased by 41.7% due to an increase in specific purpose, internal endowments and external endowments.
- Specific purpose net assets grew by 26.2% primarily due to an increase in departmental, faculty and investment reserves.
- Internal and external endowments increased by 12.2% and 13.0%, respectively, associated with investment income and additional donations.





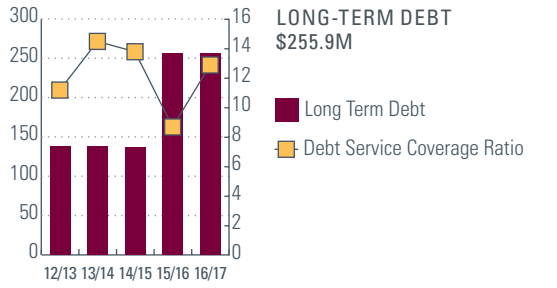






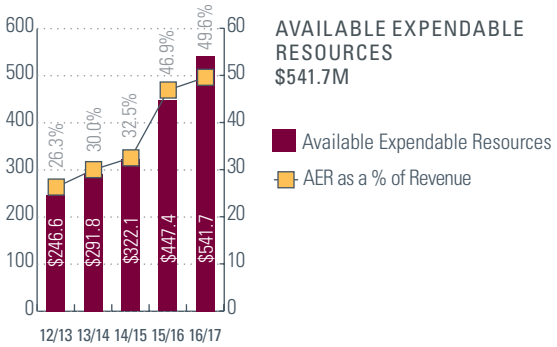
LONG-TERM DEBT

- The debt service coverage ratio increased due to 2016/17 including a full year's interest cost associated with the $120.0 million 50-year bond issued in November 2015.



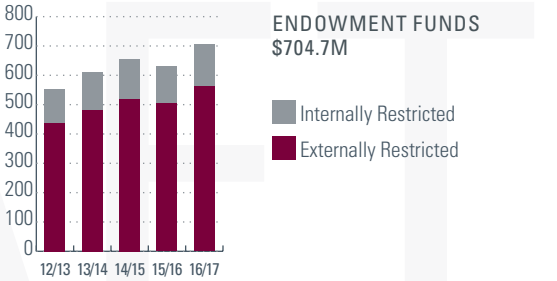
AVAILABLE EXPENDABLE RESOURCES (AER)

- AER represents funds held that are not externally committed, such as unrestricted net assets, specific purpose reserves and appropriations and internally restricted endowments.
- AER increased to $541.7 million from $447.4 million, primarily as a result of the increase in departmental, faculty and investment reserves.



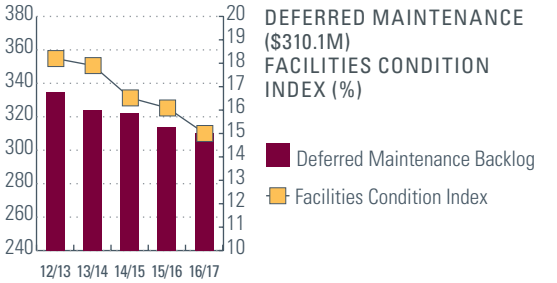
ENDOWMENT FUNDS

- McMaster's internal and external endowments increased by 11.6%, mainly due to the investment gain of 16.0% experienced in the long-term investment pool.
- The endowment funds per student increased by 7.0% from $22,617 to $24,191, year over year, despite the increase in student enrolment.



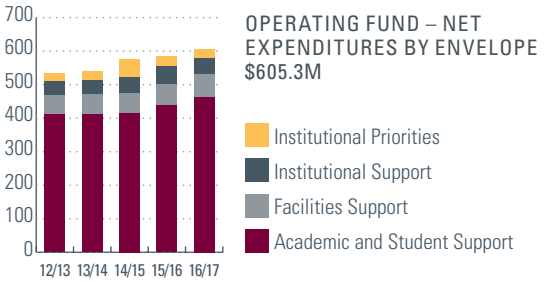
DEFERRED MAINTENANCE

- McMaster's deferred maintenance backlog decreased from $314.0 million to approximately $310.1 million.
- McMaster's Facilities Condition Index (FCI) is 15.0%, an improvement from 16.1% in 2015/16.
- The decrease in deferred maintenance backlog and the University FCI is attributed to an increase in base operating support for deferred maintenance projects and the addition of new buildings.



OPERATING FUND – EXPENDITURES BY ENVELOPE

- Operating fund net expenditures increased by 3.6%.
- Academic and student support increased 5.9% from the prior year as a result of increased enrolment and faculty renewal in growth areas.
- Facilities support increased by 3.5% from the previous year reflecting additional funding provided for deferred maintenance as well as a full year of interest on the 2065 bond.
- Institutional support decreased 5.7% from the previous year due mainly to unfilled vacancies and some restructuring.
- Institutional priorities decreased 12.0% from the previous year as the majority of the Mosaic implementation expenses were covered in prior years' operating budgets.



Revenues

In 2016/17 total revenue increased by 14.5% to $1,093.2 million (2015/16 – $954.4 million) reflecting revenue per student of $37,527 (2015/16 – $34,173). The revenue increase of $138.7 million relates primarily to $98.4 million in investment income associated with a 16.0% return and an increase of $28.5 million in tuition income related to increased undergraduate enrolment. McMaster University continues to focus on new revenue generation opportunities across all areas of the University while actively managing existing revenue streams to optimize investments in the student experience, academic and research mission. Key investment priorities include differentiation through experiential learning programs and technology and infrastructure transformations.

McMaster University continues to focus on new revenue generation opportunities across all areas of the University while actively managing existing revenue streams to optimize investments in the student experience, academic and research mission.

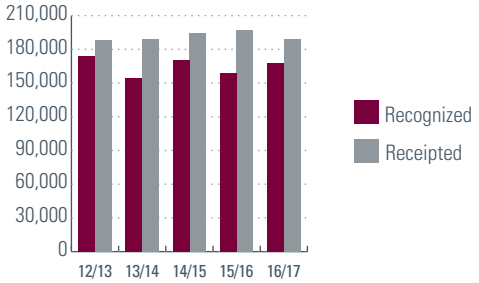
OPERATING GRANTS INCOME

Government operating grants increased by $5.7 million or 2.1% over 2015/16 primarily due to provincial grant funding for Indigenous and first generation programs.

RESEARCH GRANTS AND CONTRACTS

Research revenue is recognized as income in the year the related expense occurs. Unspent research funding and funds spent on capital are recorded as Deferred Contributions on the Statement of Financial Position. Research revenue recognized by the University does not include research funding directly received and administered by affiliated hospitals or funding for Networks of Centres of Excellence, such as the Centre for Probe Development and Commercialization hosted by McMaster University. Research funding received decreased to $189.2 million (2015/16 – $196.7 million). Despite this decrease, research expenditures increased by 5.2%, resulting in $167.3 million in research revenue recognition compared to $159.0 million last year. As shown in the table at right, research receipts fell, however the amount expended in the year of receipt increased.

RESEARCH REVENUE:
RECEIPTED VS RECOGNIZED IN INCOME – $ THOUSANDS



RESEARCH OVERHEAD GRANTS

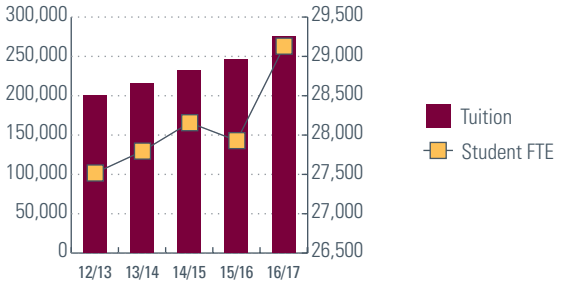
Research overhead grants increased to $14.4 million in 2016/17 related to an increase in overhead eligible awards received by the University (2015/16 – $13.4 million). Overhead grants assist the University in partially defraying indirect costs associated with hosting research activities. The federal and provincial governments contribute indirect costs based upon a portion of the total direct federal research grants and eligible provincial research programs.

	$ millions	
RESEARCH REVENUE RECOGNIZED	2017	2016
Total research funds received	189.2	196.7
Less: amount deferred to future	(21.9)	(37.7)
	167.3	**159.0**

TUITION FEES

Revenue from tuition fees increased by 11.6% in 2016/17 due to an increase in undergraduate enrolment and allowable legislative program specific tuition fee increases. In 2016/17, the University adjusted fees by the allowable increase for each regulated program and remained within the overall cap of 3.0% for domestic students. Contributing to increased tuition revenue are increases in fees not included in the overall cap. These include non-government funded programs and international student fees. International students pay fees that are higher than domestic rates and account for approximately 9.8% (2015/16 – 8.6%) of the total student population.

TOTAL TUITION – $ THOUSANDS AND NUMBER OF FTE STUDENTS



ANCILLARY OPERATIONS

Ancillary operations provide essential academic and student support services across the University. Ancillary units enhance the student experience and contribute funding to both direct student support and the operating budget to support the core University mission. Ancillaries provide efficient and affordable services while covering all related operating and capital costs and contributing approximately 4.5% of sales to student support and the operating fund. In order to generate revenue, it is critical that ancillary departments provide relevant value added services, deliver excellent quality, remain competitively-priced and contain costs wherever possible. To deliver on these objectives ongoing student, faculty and staff feedback is sought through surveys and advisory committees.

A detailed breakdown of ancillary sales is shown in the table below. Net Ancillary sales revenue increased by 5.6% to $74.3 million in 2016/17 (2015/16 – $70.3 million). Hospitality Services was the largest contributor to this growth, increasing sales by 6.5%, with significant contributions from increased catering due to new menu and pricing structure as well as higher enrolment. Campus Store and Housing and Conference Services also provided growth, with sales increases of 5.2% and 5.1%, respectively. The increase for Housing and Conference Services resulted from increased conference sales relating in part to the Pan Am Games. Ancillary sales increases are partially offset by a decline in Media Production Services revenue of approximately 5.5% associated with the decline in demand for printed material.

	$ thousands	
SALES BY ANCILLARY OPERATIONS	2016/2017	2015/2016
Campus Store	16,364	15,552
Hospitality Services	25,303	23,764
Housing and Conference Services	25,977	24,705
Media Production Services	3,742	3,958
Parking	5,252	5,016
Continuing Education	7,006	6,740
Miscellaneous	133	144
	83,778	79,880
Less internal sales	(9,504)	(9,573)
	74,273	**70,307**

INVESTMENT INCOME

The long-term investment pool rate of return (after expenses) for 2016/17 was 16.0%, compared to -2.8% in 2015/16. While market volatility is still a key management concern, the diversification within the long-term Investment Pool helps protect capital in down markets. Investment returns and outlook are included in multi-year financial projections along with sensitivity analysis to highlight the significance of variances possible in investment income associated with market fluctuations. The endowment funds are invested applying an asset mix of 60.0% equities and 40.0% fixed income, real estate, and infrastructure. As at April 30, 2017, the endowment fund achieved a rate of return of 16.3%, which was above the benchmark return of 13.4%. Total investment income, summarized in the table below, includes both short-term and long-term investment earnings that are allocated between income in the Statement of Operations and as direct increases to endowment balances as preservation of capital adjustments in the Statement of Changes in Net Assets.

Investment returns on endowed funds are used in accordance with the purposes set out by donors or, where discretionary, by the Board of Governors. Annual endowment spending is targeted at a rate of 4.0% determined using a five-year average market rate of return, any returns in excess of spending and other expenses go toward capital preservation. In 2016/17 approximately $24.6 million (2015/16 – $18.7 million) of expenses were funded from the external endowment of which a significant portion is directed towards student scholarships, bursaries and funding of chairs and professorships.

	$ thousands	
INVESTMENT INCOME/(LOSS)	2016/2017 Actual	2015/2016 Actual
Recognized in income	98,432	12,855
Net posted directly to external endowments	44,799	(31,467)
Total earned (lost)	**143,231**	**(18,612)**

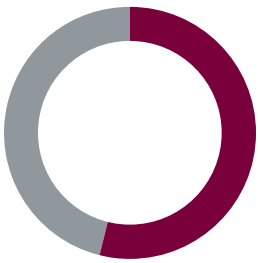
Compensation and Benefits

McMaster University provides competitively benchmarked compensation and benefit plans for faculty and staff for both career and retirement phases of life. McMaster manages both current and future costs associated with total compensation plans to ensure a long-term sustainable financial environment. Salary and wage expenses are shown together in the Statement of Operations, with related employee benefit costs identified separately. The employee benefit expenses include statutory benefit costs, other current benefit costs, and accruals for pension and other non-pension benefits (primarily medical benefits and dental care) that are earned in relation to current year service. Additional information related to the current year expenses, pension and non-pension liabilities and unfunded deficits are included in this section.

EXPENSE

Total compensation-related expenses account for over 62.5% of total expenditures and represent a total of 7,448 permanent faculty and staff members as of October 2016 (October 2015 – 7,450).

FACULTY MEMBERS AND PERMANENT STAFF AS OF OCTOBER 2016 – 7,448



Academic – 54% (includes faculty, post doctoral fellows, librarians, teaching assistants) (4,045)

Support – 46% (3,403)

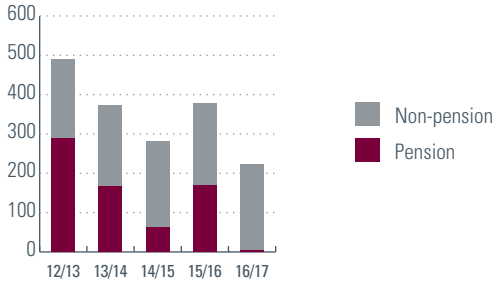
Salary and wage expenses increased by 4.5% (compared to 0.8% growth last year). Employment expenses represent $602.0 million (7,448 employees) this year compared to $566.0 million (7,450 employees) in 2015/16.

EMPLOYEE FUTURE BENEFIT OBLIGATIONS (PENSION AND OTHER)

Included in total compensation expenses are defined benefit pension, group RRSP and non-pension benefit costs. The non-pension benefit costs include extended health, dental and life insurance for most employees of the University. In fiscal 2014/15, the University adopted the new pension accounting rules (Section 3463, Reporting employee future benefits by not-for-profit organizations). Under the new rules, annual re-measurements and other items specifically related to employee future benefits are recorded directly in the Statement of Changes in Net Assets, rather than the Statement of Operations. Only current year benefit costs are expensed in the Statement of Operations and all changes in investment gains and losses are reflected in the Statement of Changes in Net Assets.

The pension and non-pension plan obligations continue to be one of the University's greatest challenges, causing a significant draw on University resources. Several cost balancing measures have been taken including plan design changes and increased employee contributions. The financial challenges could be further eased in future years by interest rate improvements. However, changing mortality tables used to measure the liability, resulting from individuals living longer, are a permanent increase in obligations. The pension and non-pension obligations continue to receive ongoing management monitoring and long-term strategic financial planning. McMaster continues to deploy a cost smoothing approach to charging benefit expenses to Faculties and Departments; the University charges an average benefit rate of not more than 30.0% each year although annual benefit cash outflows can vary year-over year by more than $30.0 million.

POST RETIREMENT UNFUNDED OBLIGATIONS – NEW BASIS APRIL 2014 ONWARD
(includes pension and non-pension benefits) ($223.8M)



PENSION

Several positive steps have been taken over the last few years to manage the pension liability, such as revised eligibility rules for some groups, increased employee contributions and the introduction of a defined contribution group RRSP plan for new employees in some groups. The group RRSP now includes 312 (2015/16 – 293) full time employees. Additional funding contributions to the defined benefit plans from employees and the University will be required to address the plan shortfalls and will continue to place significant pressure on all programs for many years to come.

The provincial focus continues on publicly funded organizations' pension plan assets with specific interest toward shifting employer pension risk to a shared risk within single or multi-employer jointly sponsored pension plans. Work by universities and employee groups together are investigating the future feasibility of jointly sponsored or shared plans, including a review of transitional issues. In 2016/17, the Province issued several documents to assist public institutions in transitioning to a jointly sponsored pension plan. However, further work is needed to address transitional measurement and funding issues. As work progressed in 2016/17 on a shared plan design, in parallel the province launched a review of solvency measurement and funding rules affecting private and public defined benefit plans. The province has released some information in regards to revised pension legislation expected to be in place for July 2018. In the interim, Stage 3 solvency funding relief was introduced, allowing interest only payments on solvency deficiencies for the next three years. This funding relief was adopted for the Hourly Pension Plan and will be used for the Salaried Pension Plan 2000 in the upcoming years to alleviate cash flow pressure until the new pension rules are released. Based on the new pension legislation information available, McMaster is likely to have a sufficient benefit rate plan to afford the new regime.

The change in the funded status of the defined benefit pension plans is summarized in the chart below.

Year over year, pension expense increased by 19.3% from $36.2 million to $43.3 million, due to increased interest cost as a result of the higher opening obligation balance.

As a result of strong investment returns, the re-measurement adjustment was a positive $143.8 million.

OTHER POST-RETIREMENT AND POST-EMPLOYMENT BENEFIT PLANS

These plans provide extended health benefits to retirees. The deficit status of the plans as at April 30, 2017 totaled $220.3 million, an increase of $12.4 million from April 30, 2016. There are no externally restricted assets associated with this liability.

In 2016/17, non-pension employee benefit expenses were $19.7 million, a $0.2 million decrease from 2015/16 primarily due to the interest cost on the liabilities. Payments by the University for claims from the plans totaled $7.2 million.

The long-term funding strategy includes annual contributions to an internally restricted reserve, which is monitored annually and reassessed by actuaries on a tri-annual basis.

	$ millions	
ACCOUNTING BASIS CHANGE IN FUNDED STATUS OF PENSION BENEFIT PLAN	April 30, 2017	April 30, 2016
Funded status, opening balance	(169.3)	(63.3)
Current service and finance cost	(43.3)	(36.2)
Remeasurement	143.8	(134.4)
University contributions	65.3	64.6
Funded status, closing balance	**(3.5)**	**(169.3)**

Capital Projects and Financing

McMaster University is committed to technology transformation, building purpose-focused spaces, and renewing existing infrastructure to ensure its research focused student-centered identity is maintained in support of an environment of excellence.

The McMaster Campus Plan and annual Capital Plan provide a comprehensive framework guiding campus capital development. The University's capital objectives are to preserve and enhance a high quality campus while meeting McMaster's changing needs.

CAPITAL PROJECTS

The L.R. Wilson Hall project was completed in fiscal 2016/17 and opened in September 2016. This new building supports Liberal Arts and accommodates the Faculties of Humanities and Social Sciences. This LEED-certified building includes teaching and learning spaces, gardens and public gathering spaces. L.R. Wilson Hall also houses liberal arts research centres, such as the Wilson Institute for Canadian History and the Gilbrea Centre for Health and Aging, as well as McMaster's Indigenous Studies program and Indigenous student support offices.

Construction of the Peter George Centre for Living and Learning (PGCLL), a 500-bed undergraduate residence on campus adjacent to the Ron Joyce Stadium, is underway. The PGCLL also includes teaching and learning spaces, expanded study and collaborative student spaces, a new home for both the Student Wellness Centre, the McMaster Child Care Centre, underground parking, and new hospitality services. This multi-purpose building maximizes the use of campus lands. Other capital projects underway in 2016/17 included the Fraunhofer-IZI Centre for Biomedical Engineering & Advanced Manufacturing and the Gerald Hatch Centre for Engineering Experiential Learning.

Capital projects underway in 2016/17 include the Peter George Centre for Living and Learning, the Fraunhofer-IZI Centre for Biomedical Engineering & Advanced Manufacturing and the Gerald Hatch Centre for Engineering Experiential Learning.

In addition to these capital building projects, the University spent approximately $27.7 million on equipment, software and furnishings. This represents a decrease of $3.8 million over last year due to the substantial completion of the implementation of the University's enterprise resource planning system (Mosaic).

The University's total capital expenditures for 2016/17 totaled $113.5 million (2015/16 – $94.4 million) and are summarized in the table below. The comparative decrease in library materials is due to the one-time adjustment in 2015/16 for the change in how certain library materials are accounted for. Building and Construction in Process expenditures have increased largely due to spending on the L.R. Wilson Hall, Gerald Hatch Centre for Engineering Experiential Learning, Combined Heat & Power Plant and the Peter George Centre for Living and Learning.

	$ thousands	
CAPITAL ASSET ADDITIONS	2016-2017	2015-2016
Completed building projects & construction in process	76,317	44,631
Computers, software, furniture and other equipment	27,673	31,502
Library materials	9,497	18,264
	113,487	**94,397**

CAPITAL FINANCING

Building projects with long-term funding sources such as user fees, parking levies and future fundraising continued to be financed through internal central bank loans. In 2016/17, all scheduled loan repayments were received. The internal central bank capital loans decreased to $80.6 million in 2016/17 from $86.2 million last year. The loans have varying repayment terms and interest rates, which reflect the date of issue and the project income stream.

The University's Debt Policy ratios provide a framework for monitoring the University's ability to undertake additional external or internal debt to carry out strategic investments. In fiscal 2015/16, the University completed a 50-year debenture call for $120.0 million, which was fully subscribed at a coupon of 4.105%. The long-term bond issuance is supporting capital plans included in the multi-year projections, most notably the Peter George Centre for Living and Learning. A sinking fund was established in the year to provide for the debt retirement in 2065. The additional debt effectively reduced McMaster's weighted average cost of capital by 1.0% from 6.75% to 5.75% with stabilization factored in.

FINANCIAL HEALTH AND SUSTAINABILITY METRICS

In fiscal 2015/16 the Ministry of Advanced Education and Skills Development (MAESD), formerly the Ministry of Training Colleges and Universities, developed financial health metrics. The metrics are now incorporated into the Strategic Mandate Agreement requiring annual reporting along with other annual updates like enrolment, goal attainment and legislative compliance. The inclusion of financial health metrics recognizes financial health and sustainability are critical to achieving institutional mandates. McMaster's strong financial health, as indicated also by its strong credit rating, is supported by the Ministry selected metrics outlined in the table below. The Ministry has not established any metric targets or acceptable ranges at this time; however, MAESD will examine implementing targets for a future SMA beyond SMA2 2017-2020. McMaster does include related targets in its Debt Management Strategy and views the results below positively.

FINANCIAL HEALTH AND SUSTAINABILITY METRICS

Metric	Key Ratios	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Performance	Net income/loss ratio	6.47%	8.90%	7.93%	3.05%	11.82%
Performance	Net operating revenues ratio (1)	7.57%	12.50%	14.75%	7.08%	14.50%
Liquidity	Primary reserve ratio (days) (2)	102	120	129	176	205
Leverage	Interest burden ratio	1.06%	1.05%	1.01%	1.29%	1.50%
Leverage	Viability ratio (3)	1.7	2.0	2.2	1.7	2.0

1 Measures cash flow from operating activities as a proportion of revenues.
2 Measures the number of days university reserves can cover its operating expenses.
3 Measures the proportion of long term debt that could be settled using unrestricted assets.

Enterprise Risk Management

The Enterprise Risk Management program continues to achieve the program's objectives including building further experience and expanded awareness of the program components with governance bodies, risk leaders and management. Detailed review sessions led by the applicable risk leaders are integral to this ongoing program. Sessions held in 2016/17 with the President and Vice Presidents (PVP) group and the Audit Committee focused on Government Policy Risk, Reputation and Brand Risk, and Technology Risk. In addition, the Audit Committee broadened its oversight commitment to the risk management program by adding Information Security Risk and Health and Safety Risk as standing agenda items with attendance and discussion from the respective risk leaders forming part of the overall Enterprise Risk Management reporting cycle.

An annual Opportunities and Risks Review and Assessment session is held by the Enterprise Risk Steering Committee to review and update the University's Opportunity and Risk Registers. The Committee annually reviews prior year assessments and updated key risk mitigation strategies developed by risk leaders.

The Key Risks Review resulted in fourteen risks being identified and assessed. The majority of key risks were retained from 2016. A number of modifications were made to the rankings of the various risks for 2017 as a result of factors including current government initiatives and priorities as well as in recognition of the impact that various risk mitigation strategies and other initiatives in progress have had on the University.

Sessions held in 2016/17 with the President and Vice Presidents (PVP) group and the Audit Committee focused on Government Policy Risk, Reputation and Brand Risk, and Technology Risk.

2017 KEY RISKS:	Research	Financial
Undergraduate Student Enrolment	Human Capital	Technology
Government Policy	Student Experience, Satisfaction & Retention	Information Security
Mental Wellness	Attract Graduate Students	Physical Infrastructure
Research Infrastructure	Reputation and Brand	Information Availability & Quality

Supplemental Information

Operating Fund and Operating Budget

The audited financial statements are prepared as required by statute in accordance with accounting standards for not-for-profit organizations as prescribed by prescribed by Chartered Professional Accountants of Canada using the Deferral Method of accounting ("deferral method") and consolidation of all activity. For external reporting under the deferral method, all funds are consolidated in a single column on the Statement of Operations.

In contrast, the University's internal reports and budgets are prepared on a cash basis and pursuant to the concepts of fund accounting. Under this method, separate budgets and funds are set up for fund activities, with each fund comprised of its own revenues and expenses.

Fund accounting enhances accountability and budgetary control of resources by ensuring that restricted grants and contributions are spent only for the purposes intended. To maintain control, the following segregated funds have been developed: General Operating, Specifically Funded Research, Specifically Funded (Other), Capital, Externally Restricted Trusts and Endowments, Internally Restricted Endowments and Ancillary Operations. The Operating Fund includes all revenue and expenses related to annual activities for academic program delivery and accounts for approximately 60.0% of all spending. The 2016/17 Operating Fund Statement of Operations includes the full cost of related pension plan contributions, deficit payments and the cost of funding accrued costs of post-retirement benefits.

Considerable attention and effort is focused on the allocation and use of resources to build a structurally balanced operating budget. The original budget reflected a net deficit of $17.8 million attributed to $28.9 million in net one-time planned expenditures. The University finished the year with a $25.9 million surplus as shown in the chart below.

Total operating fund revenues were $632.6 million as compared to the projected funding of $624.7 million. The favourable variance of $7.9 million (1.3%) is attributable to greater research overhead from contracts and royalties, increased revenue from external utility recoveries, as well as additional provincial grant funding for Indigenous and first generation programs.

The favourable revenue variance of $41.5 million (7.0%) compared to the original budget primarily relates to the same factors as the variance to projection, as well as significantly greater enrolment than originally budgeted.

Operating fund expenditures net of transfers and recoveries were $605.3 million as compared to projected net expenditures of $618.6 million. The favourable variance of $13.3 million (2.2%) was due to lower expenses for benefits, savings on utilities as a result of the warmer winter, and deferral of several major projects.

The surplus of $25.9 million results in closing appropriations of $98.5 million, up from $72.6 million at April 30, 2016. Appropriations are available to provide funds to offset one-time spending and investments in deficit-reducing strategies.

2016-2017 OPERATING FUND ($ millions)				Variance	
	Budget	Projection	Actual	Budget vs. actual	Projection vs. actual
Sources of revenue	591.1	624.7	632.6	41.5	7.9
Less net expenditures	608.5	618.6	605.3	3.2	13.3
Excess (deficiency) of revenue over net expenditures	**(17.3)**	**6.1**	**27.4**	**44.7**	**21.2**
Add amount funded by (transferred to) unrestricted assests	(0.5)	(1.5)	(1.5)	1.0	-
Net surplus (deficit)	**(17.8)**	**4.6**	**25.9**	**45.7**	**21.2**
Fund balance, beginning of year*	72.6	72.6	72.6	-	-
Fund balance, end of year	**54.8**	**77.2**	**98.5**	**45.7**	**21.2**

*Adjusted to actual

Financial Statements

Annual Financial Report
2016-2017

McMaster University

Financial Services
1280 Main Street West
Hamilton, ON L8N 1E9

McMaster University

The Office of Financial Services supports and promotes sustainability. To download a pdf version of this report please visit mcmaster.ca/bms

Designed and produced by Media Production Services

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Financial Statements of

McMASTER UNIVERSITY

Year ended April 30, 2017

October 03, 2017

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Statement of Management Responsibility

Management of the University is responsible for the preparation of the financial statements, the notes thereto and all other financial information contained in this Annual Financial Report.

Management has prepared the financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Management believes the financial statements present fairly the University's financial position as at April 30, 2017 and the results of its operations, changes in net assets and its cash flows for the year ended April 30, 2017. In order to achieve the objective of fair presentation in all material respects, the use of reasonable estimates and judgements were employed. Additionally, management has ensured that financial information presented elsewhere in this Annual Financial Report has been prepared in a manner consistent with that in the financial statements.

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

Mercer (Canada) Limited has been retained by the University in order to provide an estimate of the University's current year position for pension and other employee future benefits. Management has provided the valuation actuary with the information necessary for the completion of the University's report and retains ultimate responsibility for the determination and estimation of the pension and other employee future benefits liabilities reported.

The Board of Governors carries out its responsibility for review of the financial statements and this Annual Financial Report principally through the Planning and Resources Committee and its Audit Committee. No members of the Audit Committee are officers or employees of the University. The Audit Committee meets regularly with management, as well as the internal auditors and the external auditors, to discuss the results of the audit examinations and financial reporting matters, and to satisfy itself that each party is properly discharging its responsibilities. The auditors have full access to the Audit Committee with and without the presence of management.

The financial statements for the year ended April 30, 2017 have been reported on by KPMG LLP, Chartered Professional Accountants, the auditors appointed by the Board of Governors. The Independent Auditors' Report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.

Vice-President, Administration President AVP (Administration) & CFO
October 26, 2017

INDEPENDENT AUDITORS' REPORT

To the Board of Governors of McMaster University

We have audited the accompanying financial statements of McMaster University (the "University"), which comprise the statements of financial position as at April 30, 2017, the statements of operations, changes in net assets, and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of McMaster University as at April 30, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
October 26, 2017

McMASTER UNIVERSITY
Statement of Financial Position
April 30, 2017, with comparative figures for 2016
(thousands of dollars)

	2017	2016
Assets		
Current assets:		
Cash	$ 28,185	$ 51,044
Short-term investments (note 2)	133,638	92,679
Government grants and other accounts receivable (note 3)	37,759	32,658
Research grants receivable	97,146	101,460
Inventories	6,423	4,337
Prepaid expenses and deposits	8,993	9,175
	312,144	291,353
Investments (note 2)	1,240,598	1,094,130
Other investments (note 4)	21,158	24,938
Loans receivable (note 4)	683	904
Capital assets (note 5)	1,009,956	967,709
	$ 2,584,539	$ 2,379,034
Liabilities, Deferred Contributions and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	$ 123,307	$ 110,803
Deferred revenue	25,849	21,910
Current portion of long-term obligations (note 7)	586	622
	149,742	133,335
Accrued employee future benefits (note 8)	223,805	377,255
Long-term obligations (note 7)	267,918	267,927
Deferred contributions (note 9):		
Deferred for future expenses	345,210	353,923
Deferred capital contributions	486,496	462,144
	831,706	816,067
Net assets:		
Unrestricted	7,846	10,081
Internally restricted (note 10):		
Employee future benefits	(165,660)	(326,090)
Specific purpose	390,442	309,463
Equity in capital assets (note 11)	268,440	249,943
Endowments (note 12):		
Internal	143,422	127,872
External	466,878	413,181
	1,111,368	784,450
Commitments and contingencies (note 13)		
	$ 2,584,539	$ 2,379,034

On behalf of the Board of Governors:

_____ Chair, Board of Governors

_____ Chair, Audit Committee

See accompanying notes to financial statements

McMASTER UNIVERSITY
Statement of Operations
Year ended April 30, 2017, with comparative figures for 2016
(thousands of dollars)

	2017	2016
Revenues:		
Operating grants	$ 270,333	$ 264,645
Research grants and contracts	167,329	159,007
Tuition fees	274,788	246,275
Other (note 14)	106,070	104,362
Ancillary sales and services	74,273	70,307
Investment income, net	98,432	12,855
Donations and other grants	47,464	44,193
Research overhead grants	14,401	13,425
Amortization of deferred capital contributions	40,065	39,340
	1,093,155	954,409
Expenses:		
Salaries and wages	473,939	453,576
Employee benefits	128,066	112,476
Supplies and services	278,272	262,452
Interest on long-term obligations	13,377	10,805
Amortization of capital assets	70,262	86,004
	963,916	925,313
Excess of revenues over expenses	$ 129,239	$ 29,096

See accompanying notes to financial statements

McMASTER UNIVERSITY
Statement of Changes in Net Assets
Year ended April 30, 2017, with comparative figures for 2016
(thousands of dollars)

		Internally restricted			Endowments			
	Unrestricted	Employee future benefits	Specific purposes	Equity in capital assets	Internal	External	2017 Total	2016 Total
Net assets, beginning of year:	$ 10,081	$(326,090)	$ 309,463	$ 249,943	$ 127,872	$ 413,181	$ 784,450	$ 892,669
Excess (deficiency) of revenues over expenses	159,436	-	-	(30,197)	-	-	129,239	29,096
External endowment contributions:								
Contributions	-	-	-	-	-	8,898	8,898	6,224
Protection of capital	-	-	-	-	-	44,799	44,799	(31,467)
Transfers and adjustments:								
Transfers for specific purposes	(97,427)	16,448	80,979	-	-	-	-	-
Capital transactions from operating (note 11)	(48,694)	-	-	48,694	-	-	-	-
Transfer from internal endowments	(15,550)	-	-	-	15,550	-	-	-
Remeasurements and other items (note 8)	-	143,982	-	-	-	-	143,982	(112,072)
	(2,235)	160,430	80,979	18,497	15,550	53,697	326,918	(108,219)
Net assets, end of year	$ 7,846	$ (165,660)	$ 390,442	$ 268,440	$ 143,422	$ 466,878	$1,111,368	$ 784,450

See accompanying notes to financial statements

McMASTER UNIVERSITY
Statement of Cash Flows
Year ended April 30, 2017, with comparative figures for 2016
(thousands of dollars)

	2017	2016
Cash provided by (used in):		
Operating activities:		
Excess of revenues over expenses	$ 129,239	$ 29,096
Adjustments for non-cash items:		
Amortization of deferred capital contributions	(40,065)	(39,340)
Amortization of capital assets	70,262	86,004
Employee future benefits	(9,468)	(15,309)
Equity loss (earnings) of other investments	3,735	(1,431)
Increase in decommissioning obligation	577	823
Gain on sale of capital assets	(800)	-
	153,480	59,843
Net change in contributions deferred for future expenses	(8,713)	44,965
Net change in other non-cash working capital	13,752	(37,266)
	158,519	67,542
Financing and investing activities:		
Purchase of capital assets	(113,487)	(94,397)
Proceeds on sale of capital assets	1,778	-
Net change in investments	(187,427)	(105,552)
Net change in other investments	45	(4,720)
Net change in loans receivable	221	(13)
Net change in external endowments	53,697	(25,243)
Deferred capital contributions	64,417	45,706
Principal repayments on long-term obligations	(622)	(655)
Issuance of long-term debt	-	120,000
	(181,378)	(64,874)
Net increase (decrease) in cash	(22,859)	2,668
Cash, beginning of year	51,044	48,376
Cash, end of year	$ 28,185	$ 51,044

See accompanying notes to financial statements

McMaster University (the "University"), which operates by authority of The McMaster University Act, 1976, is governed by a Board of Governors (the "Board") and Senate, the powers and responsibility of which are set out in the Act. The University is a comprehensive research institution offering a broad range of undergraduate, graduate and continuing education programs and degrees. The University is exempt from income taxes.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook.

(a) Basis of presentation:

These financial statements include the accounts, transactions and operations for which the University has jurisdiction. They do not include the accounts, transactions and operations of the following entities which are independently governed and managed, and certain other related entities which carry out fundraising and other activities and are not material to these financial statements:

Independent entities:
- McMaster Divinity College
- McMaster Students Union, Inc.
- McMaster University Centre Incorporated
- McMaster Children's Centre, Inc.
- McMaster Association of Part-Time Students (MAPS)
- Graduate Students Association (GSA)

Other entities:
- The McMaster University Trust
- The McMaster University Hong Kong Foundation
- Friends of McMaster Incorporated

McMaster Innovation Park:

The investment in the related entity, McMaster Innovation Park ("Park") is accounted for by the equity method (note 4). Since the Trusts which form the Park have fiscal year ends of December 31st, the University records its share of the operating results effective on that date.

The following joint ventures are accounted for by using the equity method of accounting:

- Adiga Life Sciences Inc. ("ALS"):

  These financial statements include the University's 50% interest in ALS (note 4). ALS is a joint venture with an unrelated pharmaceutical research company to commercialize intellectual property. ALS has a fiscal year end of August 31st and the University records its share of the operating results on that date.

- The Director's College

  These financial statements include the University's 50% interest in The Director's College (note 4). This joint venture is a project with The Conference Board of Canada to form the first university accredited corporate director development program. The Director's College has a fiscal year end of May 31st and the University records its share of the operating results on that date.

- Halton McMaster Family Health Centre:

  These financial statements include the University’s 50% contribution to the Halton McMaster Family Health Centre (note 4). This joint venture is a project with Joseph Brant Hospital involving the construction and establishment of a family health centre and hospital clinical and administration building. The joint venture is in the process of registering the constructed building as a leasehold condominium corporation.

1. Significant accounting policies (continued):

(a) Basis of presentation (continued):

OSCAR EMR:

OSCAR EMR ("OSCAR") is a not-for-profit technology/software company incorporated under the Ontario Corporations Act, controlled by McMaster University. OSCAR has a fiscal year end of December 31st. Financial information is disclosed in Note 4. OSCAR has not been consolidated in the University's financial statements.

(b) Revenue recognition:

The University follows the deferral method of accounting for contributions which include donations and government grants. The principles under this method are summarized as follows:

- Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- Contributions externally restricted for purposes other than endowment and capital assets are deferred and recognized as revenue in the year in which the related expenses are recognized.
- Contributions externally restricted for capital asset purchases are deferred and amortized to operations on the same basis as the related capital asset.
- External endowment contributions and income preserved under the endowment capital protection policy (note 1(m)) are recognized as a direct increase in endowment net assets. Income earned from the investment thereof, to the extent it is allocated, is recorded as deferred contributions and recorded as revenue in the periods in which the related expenses are incurred.

Tuition fees which relate to academic terms or parts thereof occurring after April 30th are recorded as deferred revenue. Gifts-in-kind are recorded at their fair market value on receipt, or at nominal value when fair market value cannot be reasonably determined. Pledges from fundraising and other donations are recorded in the period in which they are collected. Ancillary sales and services revenue is recognized at point of sale or when the service has been provided.

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The University has elected to carry investments in equity instruments, fixed income and other securities at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the University determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the University expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment charge.

1. Significant accounting policies (continued):

(d) Derivative financial instruments:

The University is party to an interest rate swap agreement which is used to manage the exposure to fluctuations in interest rates. The University uses the accrual basis of accounting for hedges. Gains or losses realized on the settlement of the hedging item are deferred until the settlement of the hedged item.

At the inception of the hedging relationship, the University designates that hedge accounting will be applied. The University formally documents the hedging relationship between the hedging instruments and hedged item. At the inception of the hedge and throughout its term, the terms of the hedging item and hedged item are the same.

Hedge accounting is used only when the notional amount of the swap matches the principal amount of the hedged item, the fair value of the swap at the inception is nil, the fixed rate is the same throughout the swap and the variable rate is based on the same index and includes the same or no adjustment and the debt instrument cannot be settled before maturity and the swap matures within two weeks of the maturity date of the debt.

(e) Investments:

Short-term investments are investments with a remaining term to maturity of one year or less and are intended to be converted to cash within one year. Short-term investments recorded at cost plus accrued income which together approximates fair value. Short-term investments includes cash and short-term investments held within pooled fund investments.

Long-term investments are carried at fair values. Changes in fair values are included in investment income.

Externally restricted investment income to the extent it is allocated is included with deferred contributions and recognized as revenue when the related expenses are incurred.

Unrestricted investment income is recognized as revenue during the period in which it is earned. Investment income from internal endowments is recorded as unrestricted revenue and transferred to internal endowments.

(f) Inventories:

Bookstore and nuclear reactor inventories are recorded at the lower of cost and net realizable value. Other inventories are recorded at cost which is a reasonable estimate of net realizable value.

(g) Capital assets:

Capital assets are recorded at cost, or if donated, at fair value on the date of receipt. Amortization is recorded on the straight-line basis at the following annual rates:

Buildings	2.5% to 10%
Decommissioning retirement costs	4%
Site improvements	5%
Library materials	20%
Computing systems	5% to 10%
Equipment, furnishings and vehicles	20%
Computing equipment	33.3%
Leasehold improvements	term of lease

Capital assets in progress are carried at cost, with no amortization recorded until such time as the assets are available for their intended use.

(h) Collections and works of art:

The McMaster Museum of Art has significant collections of works of art and coins. Donations of works of art amounted to $494,000 (2016 - $383,000) and are recorded in operations in the year of acquisition.

1. Significant accounting policies (continued):

(i) Contributed services:

The University acknowledges the receipt of donated services. Because of the difficulty of determining their fair value, donated services are not recognized in the financial statements.

(j) Ancillary enterprises:

Ancillary enterprises are self-sustaining operations which fund their own replacements and renovations of equipment and facilities. Substantially all of the net operating results are transferred annually from unrestricted net assets to specific purpose net assets.

(k) Employee future benefits:

The University maintains defined benefit registered and non-registered pension plans, a retirement incentive program and group registered retirement savings plans. Non-pension post-retirement and post-employment benefits plans are also provided. Financial information is disclosed in Note 8.

- The University accrues its obligations for the defined benefit plans as the employees render the services necessary to earn the pension benefits. The current service cost and the finance cost for the year are charged to excess of revenues over expenses. The actuarial determination of the accrued benefit obligations for funded defined benefit plans uses the funding valuation method. This cost reflects management's estimates of investment yields, salary escalation, health care trend rates and other factors.
- The University has elected to accrue its obligations and related costs for unfunded plans on a basis consistent with funded plans.
- Remeasurement and other items are recognized as a direct increase (decrease) to net assets and are not reclassified to the statement of operations in subsequent periods. Remeasurement and other items comprise the aggregate of: the difference between the actual return on plan assets and the return calculated using the discount rate used to determine the defined benefit obligation; the actuarial gains and losses; the effect of any valuation allowance in the case of a net defined benefit asset; past service costs; and any gains and losses arising from settlements and curtailments.

The University also makes regular contributions to its Group Registered Retirement Savings Plan ("RRSP"), administered by a third party, on behalf of each eligible employee. Group RRSP contributions are charged to operations in the year made.

(l) Net assets:

Net assets are classified as follows:

Unrestricted: operating funds available without specific restrictions.

Internally restricted:

- Employee future benefits: unfunded portion of pension and other non-pension retirement and post-employment benefits, net of funds set aside to meet estimated future obligations.
- Specific purpose: as approved by the Board, unexpended departmental budgets carried forward for subsequent expenditures and other portions of net assets reserved for specific purposes.

Equity in capital assets: funds invested in capital assets, exclusive of capital assets financed through long-term obligations or deferred capital contributions.

Internal endowments: unrestricted contributions including unspent investment income which have been restricted by action of the Board.

External endowments: external contributions, the principal of which is non-expendable pursuant to the restrictions by the donor, and income retained under the endowment capital protection policy.

1. Significant accounting policies (continued):

(m) Endowment capital protection policy:

In order to protect the capital value of endowment investments, an endowment capital protection policy limits the amount of investment income allocated for spending to 4% and requires the reinvestment of excess income earned (interest, dividends, realized and unrealized capital gains, net of expenses).

Should endowment spending commitments exceed allocated income, amounts will be drawn from accumulated net investment income balances to fund deficiencies.

For endowments without sufficient accumulated investment income, temporary encroachment on capital is permitted. The encroached amounts will be recovered from future investment returns.

(n) Decommissioning obligation:

The fair value of a future asset retirement obligation is recognized when a legal obligation for the retirement of tangible long-lived assets is incurred and a reasonable estimate thereof can be determined. Concurrently, the associated decommissioning costs are capitalized as a part of the carrying amount of the asset and amortized over its remaining useful life. The liability and the related asset may be adjusted periodically due to changes in estimates until settlement of the obligation.

(o) Foreign currency translation:

The University accounts for transactions in foreign currencies at the exchange rates in effect at the time of the transactions. At year end, monetary assets and liabilities in foreign currencies are translated at year end exchange rates. Foreign exchange gains and losses on investments have been included in investment income.

(p) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant items subject to the use of management estimates and assumptions include the valuation of financial instruments, the carrying amount of capital assets, the valuation allowance for receivables, the valuation of pension and other employee future benefits, provisions for contingencies, and the decommissioning obligation. Actual results could differ from those estimates.

(q) Change in accounting policy:

During the year, management reviewed the accounting policy for investments and changed it to provide more relevant information. Investments with remaining term to maturity of 1 year or less and cash and short-term investments held within pooled funds are now classified as short-term investments (Note 1(e)). The previous accounting policy included investments with a term to maturity of 90 days or less on acquisition in cash and equivalents. The prior year was adjusted to reflect this change in policy. As a result, for the year ended April 30th, 2016, the classification of short-term investments, totaling $92,679,000, was added to the statement of financial position. This classification was offset by a decrease in investments of $54,551,000 and a decrease in cash and equivalents of $38,128,000.

2. Investments:

Details of investments are as follows:

(thousands of dollars)	2017		2016	
	Fair value	Cost	Fair value	Cost
Equities:				
Canadian	$ 192,350	$ 160,370	$ 162,338	$ 151,156
United States	236,803	112,113	188,613	102,123
Non-North American	210,900	171,098	164,626	168,337
	640,053	443,581	515,577	421,616
Fixed income	547,987	545,597	540,306	538,405
Other	52,558	43,242	38,247	33,151
	1,240,598	1,032,420	1,094,130	993,172
Short-term investments	133,638	133,611	92,679	92,712
	$ 1,374,236	$ 1,166,031	$ 1,186,809	$ 1,085,884

Investments are exposed to foreign currency risk, interest rate risk, and market volatility. The University manages these risks through policies and procedures in place governing asset mix, equity and fixed income allocations, and diversification among and within categories.

3. Government grants and other accounts receivable:

(thousands of dollars)	2017	2016
Government grants	$ 7,273	$ 5,377
Other	35,898	32,429
	43,171	37,806
Less allowance for doubtful accounts	5,412	5,148
Balance, end of year	$ 37,759	$ 32,658

4. Other investments:

Details of other investments are as follows:

(thousands of dollars)	2017	2016
McMaster Innovation Park (a)	$ 15,427	$ 19,945
Adiga Life Sciences Inc. (b)	1,011	1,355
Halton McMaster Family Health Centre (c)	4,720	4,720
The Director's College (d)	-	(1,082)
	$ 21,158	$ 24,938

Details of loans receivable are as follows:

(thousands of dollars)	2017	2016
Graduate Students Association (e)	$ 355	$ 554
Other (g)	328	350
	$ 683	$ 904

4. Other investments (continued):

(a) McMaster Innovation Park:

The First Longwood Innovation Trust and The Gore District Land Trust ("Park") were created by the University in 2006 to develop an entity for research, education, training, innovation and commercialization.

Details of the investment are as follows:

(thousands of dollars)	2017	2016
Balance, beginning of year	$ 19,945	$ 18,831
Equity earnings (loss)	(4,518)	1,114
Balance, end of year	$ 15,427	$ 19,945

The University is party to a Debt Service Deficiency Agreement as disclosed in Note 13(c). As part of the agreement, the University receives a fee of 0.5% on the monthly outstanding balance. For the year ended April 30, 2017, $102,282 (2016 - $111,106) in income was recorded by the University.

Included in rent expense for the University for the year ended April 30, 2017 is $2,486,261 (2016 - $2,529,630). Included in accounts receivable at April 30, 2017 is $398,134 (2016 - $2,304,895) receivable from the Park. Included in Note 13(f) are $5,349,086 (2016 - $4,653,827) in operating lease commitments with the Park.

During the year the University provided payroll services at a fee which amounted to $13,200 (2016 - $13,200).

Pertinent information from the Park's combined financial statements are as follows:

(thousands of dollars)	December 31, 2016	December 31, 2015
Total assets	$ 110,038	$ 109,309
Total liabilities	$ 90,000	$ 83,652
Total deferred capital grants	4,641	5,742
Total trusts' equity	15,397	19,915
	$ 110,038	$ 109,309
Results of operations:		
Total revenues	$ 12,341	$ 12,272
Total expenses	16,859	11,159
Net earnings (loss)	$ (4,518)	$ 1,113
Cash flows:		
Used in operating activities	$ (8,958)	$ (2,777)
From financing and investing activities	11,199	1,322
Increase (decrease) in cash	$ 2,241	$ (1,455)

4. Other investments (continued):

(b) Adiga Life Sciences Inc.:

Financial information from Adiga Life Sciences Inc.'s financial statements are as follows:

(thousands of dollars)	August 31, 2016	August 31, 2015
Total assets	$ 2,382	$ 3,889
Total liabilities	$ 361	$ 1,178
Total equity	2,021	2,711
	$ 2,382	$ 3,889
Results of operations:		
Total revenue	$ 5,102	$ 8,027
Total expenses	5,792	7,192
Net earnings (loss)	$ (690)	$ 835

(c) Halton McMaster Family Health Centre:

The investment in the Halton McMaster Family Health Centre represents the University's contribution of the base costs to construct the building.

(d) The Director's College:

The Director's College was a joint venture with The Conference Board of Canada to form the first university accredited corporate director development program. The University recorded its 50% share of the operating results based on The Director's College fiscal year ended May 31st. The joint venture ceased operations in December, 2016. Included in accounts receivable is $92,000 for the University's portion of the final distribution from the joint venture.

Financial information from The Director's College financial statements are as follows:

(thousands of dollars)	May 31, 2016	May 31, 2015
Total assets	$ 508	$ 676
Total liabilities	$ 604	$ 441
Total equity	(96)	235
	$ 508	$ 676
Results of operations:		
Total revenue	$ 1,627	$ 1,700
Total expenses	1,957	1,900
Net loss	$ (330)	$ (200)

(e) Graduate Students' Association:

The University has a loan receivable from Graduate Students' Association in the amount of $354,735 at April 30, 2017 (2016 - $554,373). The loan bears interest at a fixed rate of 6.75%, repaid in lump sum payments due and payable within sixty days of the closing of each of the trimestrial graduate registration periods.

4. Other investments (continued):

(f) OSCAR EMR:

Financial information from OSCAR EMR's financial statements are as follows:

(thousands of dollars)	December 31, 2016	December 31, 2015
Total assets	$ 105	$ 186
Total liabilities	$ 1,871	$ 1,824
Net deficiency	(1,766)	(1,638)
	$ 105	$ 186
Results of operations:		
Total revenue	$ 512	$ 523
Total expenses	640	735
Net loss	$ (128)	$ (212)

(g) Other:

The University has a loan receivable from a lessee in the amount of $328,508 for lease fit out costs as at April 30, 2017 (2016 - $350,000). The loan bears interest at a rate of 0% per annum and is payable over 10 years beginning in February 2016.

5. Capital assets:

(thousands of dollars)	Cost	Accumulated amortization	2017 Net
Land	$ 70,207	$ -	$ 70,207
Buildings	1,155,636	405,898	749,738
Decommissioning retirement costs	3,264	643	2,621
Site improvements	27,511	12,113	15,398
Leasehold improvements	43,103	8,854	34,249
Library materials	176,810	155,219	21,591
Equipment, furnishings and vehicles	428,921	372,440	56,481
Computing systems and computing equipment	144,054	84,383	59,671
	$ 2,049,506	$ 1,039,550	$ 1,009,956

5. Capital assets (continued):

(thousands of dollars)	Cost	Accumulated amortization	2016 Net
Land	$ 64,544	$ -	$ 64,544
Buildings	1,090,987	384,259	706,728
Decommissioning retirement costs	3,240	529	2,711
Site improvements	26,302	11,014	15,288
Leasehold improvements	40,660	6,092	34,568
Library materials	167,577	147,549	20,028
Equipment, furnishings and vehicles	439,050	375,572	63,478
Computing systems and computing equipment	142,387	82,023	60,364
	$ 1,974,747	$ 1,007,038	$ 967,709

Included in buildings is $70,104,490 (2016 - $91,026,587) representing buildings currently under construction and not available for use or subject to amortization. Included in computing systems and computing equipment is $1,790,732 (2016 - $1,220,000) representing software currently under development and not available for use or subject to amortization. Included in equipment, furnishings and vehicles is $741,947 (2016 - $nil) representing equipment currently under development and not available for use or subject to amortization.

6. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable, which includes amounts payable for payroll related taxes of $3,599,000 (2016 - $3,920,000).

7. Long-term obligations:

Details of long-term obligations are as follows:

(thousands of dollars)					2017	2016
	Maturity	Interest rate	Current portion	Non-current portion	Total outstanding	Total outstanding
Long term debt:						
Bank term loan (a)	May 2033	floating	586	15,312	15,898	16,447
Debentures (b)	Oct 2052	6.15%	-	120,000	120,000	120,000
Debentures (c)	Nov 2065	4.105%	-	120,000	120,000	120,000
Mortgage	Oct 2016	5.38%	-	-	-	73
			586	255,312	255,898	256,520
Decommissioning obligations (d)			-	12,606	12,606	12,029
			$ 586	$ 267,918	$ 268,504	$ 268,549

Principal payments due in each of the following five years are as follows (in thousands of dollars):

2018	$ 586
2019	624
2020	665
2021	709
2022	756

7. Long-term obligations (continued):

(a) The bank term loan is unsecured and is being amortized over 30 years. The outstanding loan amount is subject to a 30 year interest rate swap agreement on an original notional principal of $20,954,441 with the banker whereby the University receives a floating interest rate while paying a fixed (10 year) rate of 6.384%.

(b) The debentures, which are unsecured, bear interest at 6.15% payable semi-annually in April and October. The proceeds of the issue are being used to finance various capital projects.

A voluntary sinking fund has been established to provide funds to repay the debenture principal upon maturity. Increases to the sinking fund are charged to operations. The value of the fund at April 30, 2017 amounted to $16,992,000 (2016 - $14,628,000).

(c) The debentures, which are unsecured, bear interest at 4.105% payable semi-annually in May and November. The proceeds of the issue are being used to finance various capital projects.

A voluntary sinking fund has been established to provide funds to repay the debenture principal upon maturity. Increases to the sinking fund are charged to operations. The value of the fund at April 30, 2017 amounted to $11,374,000 (2016 - $9,786,000).

(d) It is expected that the nuclear reactor will be decommissioned at some undeterminable future date. Under an agreement with the Canadian Nuclear Safety Commission (CNSC), a trust fund has been established which requires annual funding contributions to provide for the decommissioning costs.

As at April 30, 2017, the fair value of the trust funds amounted to $12,539,000 (2016 - $10,872,000). The net present value of the estimated cost for decommissioning, at April 30, 2017 is $11,767,000 (2016 - $11,214,000) using risk free rates ranging between 4.0% and 5.1%.

During fiscal 2015, an additional decommissioning obligation related to non-reactor radioactive materials was recognized. The obligation was recognized based on an estimated useful life of 25 years and using a risk free rate of 4.0%. At April 30, 2017, the amount of the obligation was $839,000 (2016 - $815,000), an increase of $24,000 to reflect changes in the number of non-reactor radioactive materials in service. The CNSC does not require that a trust fund be established to satisfy this obligation.

(e) The University has in place an interest rate swap agreement for 30 years which expires in 2033. Under the terms of the agreement, the University agrees to receive a floating interest rate on the loan (note 7(a)) while paying a fixed rate of 6.384%. The use of the agreement effectively enables the University to convert the floating rate interest obligation of the loan into a fixed rate obligation and thus manage its exposure to interest rate risk.

The notional and fair values of the interest rate swap agreement is as follows:

(thousands of dollars)	2017		2016	
	Notional value	Fair value	Notional value	Fair value
30-year interest rate swap	$ 15,898	$ (6,269)	$ 16,447	$ (6,952)

The change in fair value of the swap for the year ended April 30, 2017 is $683,000 (2016 - ($82,000)).

8. Employee future benefits:

The University maintains three contributory defined benefit registered pension plans, one for full-time hourly employees and two for salaried employees. The plan for hourly employees was closed to new members on March 15, 2010, one of the salaried plans was closed to new members on January 14, 2003 and the other salaried plan remains open to new members. The defined benefit registered pension plans provide a pension for life based on the best average earnings of the member and years of pensionable service in the plan. The University also maintains both contributory defined contribution and non-contributory defined benefit supplementary non-registered pension plans, a retirement incentive program and a group RRSP.

The University additionally maintains a non-pension post-retirement benefit plan which provides health, dental and life insurance benefits to retirees, a post-employment benefit plan which provides health benefits to employees on long-term disability and a special retirement arrangement for some senior administrators.

The accrued benefit obligations as determined by independent actuaries and the fair values of the plans' assets are recorded as at April 30th.

(a) Information on the accrued benefit liability is as follows:

(thousands of dollars)	2017			
	Pension			
	Registered	Supplemental	Other	Total
Accrued benefit obligation	$ 1,914,005	$ 67,795	$ 220,326	$ 2,202,126
Fair value of plan assets	1,978,321	-	-	1,978,321
Funded status - surplus (deficiency)	$ 64,316	$ (67,795)	$ (220,326)	$ (223,805)

(thousands of dollars)	2016			
	Pension			
	Registered	Supplemental	Other	Total
Accrued benefit obligation	$ 1,822,251	$ 71,378	$ 207,963	$ 2,101,592
Fair value of plan assets	1,724,337	-	-	1,724,337
Funded status - deficiency	$ (97,914)	$ (71,378)	$ (207,963)	$ (377,255)

(b) Information on the benefit expense is as follows:

(thousands of dollars)	2017			
	Pension			
	Registered	Supplemental	Other	Total
Current service cost	$ 33,134	$ 42	$ 7,298	$ 40,474
Interest cost	5,882	4,263	12,400	22,545
	$ 39,016	$ 4,305	$ 19,698	$ 63,019

(thousands of dollars)	2016			
	Pension			
	Registered	Supplemental	Other	Total
Current service cost	$ 32,467	$ 48	$ 6,954	$ 39,469
Interest cost	(554)	4,347	12,947	16,740
	$ 31,913	$ 4,395	$ 19,901	$ 56,209

8. Employee future benefits (continued):

(c) Information on remeasurements and other items is as follows:

(thousands of dollars)	2017			
	Pension			
	Registered	Supplemental	Other	Total
Investment gains	$ 147,893	$ -	$ -	$ 147,893
Actuarial (loss) gain on accrued benefit obligation	(6,214)	2,114	189	(3,911)
	$ 141,679	$ 2,114	$ 189	$ 143,982

(thousands of dollars)	2016			
	Pension			
	Registered	Supplemental	Other	Total
Investment loss	$ (139,042)	$ -	$ -	$ (139,042)
Actuarial gain on accrued benefit obligation	4,375	299	22,296	26,970
	$ (134,667)	$ 299	$ 22,296	$ (112,072)

(d) Information on the pension plan assets includes the following:

	Percentage of fair value of total plan	Target allocation percentage
Equity securities	69.9%	65.0%
Debt securities	29.5%	35.0%
Other	0.6%	0%

(e) The significant actuarial assumptions adopted in measuring the accrued benefit obligations are as follows:

	Pension	Other
Discount rate	6.00%	6.00%
Expected long-term rate of return on plan assets	6.00%	-
Rate of compensation increase	3.97%	4.00%

(f) The significant actuarial assumptions adopted in measuring the net benefit expense are as follows:

	Pension	Other
Discount rate	6.00%	6.00%
Expected long-term rate of return on plan assets	6.00%	-
Rate of compensation increase	3.97%	4.00%

(g) Details of annual contributions and benefits paid are as follows:

(thousands of dollars)	2017		2016	
	Pension	Other	Pension	Other
Employer contributions	$ 65,341	$ 7,146	$ 64,582	$ 6,836
Employee contributions	24,557	-	23,659	-
Benefits paid	88,332	7,146	83,970	6,836

8. Employee future benefits (continued):

(h) For measurement purposes, a 5.25% annual rate of increase in per capita medical cost was assumed for 2016, grading down to 4.0% per annum in and after 2030. For per capita dental costs, an annual rate of increase of 4.0% per annum was assumed.

(i) Details of actuarial valuation completion for funding purposes and filing dates of the respective plans are as follows:

- hourly rated employee pensions: completed as at July, 2016, the next required filing date is July, 2019.
- salaried employees pensions (Plan 2000): completed as at July, 2014, the next required filing date is July, 2017.
- other benefit: completed as at March 31, 2016; the next required filing date is March 31, 2019.
- post-retirement, post-employment, and retirement allowance: completed as at April 30, 2017.

The results of valuations not completed as of April 2017, have been extrapolated to April 30, 2017, which is the measurement date used to determine the accrued benefit obligation for all employee future benefit plans.

(j) In 2008, the University created a group RRSP for certain types of new employees. University and employees' contributions in 2017 amounted to $2,469,000 (2016 - $1,084,000).

(k) The University has internal reserves set aside in the amount of $73,640,000 (2016 - $60,432,000) for the accrued benefit obligation of non-pension post-retirement benefit plan.

9. Deferred contributions:

(a) Deferred for future expenses:

Deferred contributions represent external contributions restricted for research and trust expenses to be incurred in subsequent fiscal years. Details of the change in deferred contributions are as follows:

(thousands of dollars)	2017	2016
Balance, beginning of year	$ 353,923	$ 308,958
Deferred and capital contributions received	318,883	358,468
	672,806	667,426
Less:		
Amounts recognized as revenue	(263,179)	(267,797)
Deferred capital contributions transfer	(64,417)	(45,706)
Balance, end of year	$ 345,210	$ 353,923

Deferred contributions consist of the following:

(thousands of dollars)	2017	2016
Research grants and contracts	$ 206,145	$ 198,518
Donations, other grants and investment income	94,373	90,606
Capital grants and donations	21,271	39,963
Other restricted funds	23,421	24,836
	$ 345,210	$ 353,923

9. Deferred contributions (continued):

(b) Deferred capital contributions:

Deferred capital contributions represent the unamortized amount of donations and grants received for the purchase of capital assets. Unspent deferred capital contributions are included in deferred contributions for future expenses until such time as capital expenditures are incurred. Details of the change in the unamortized deferred capital contributions are as follows:

(thousands of dollars)	2017	2016
Balance, beginning of year	$ 462,144	$ 455,778
Add: contribution transfers	64,417	45,706
Less: amount amortized to revenue	(40,065)	(39,340)
Balance, end of year	$ 486,496	$ 462,144

10. Internally restricted net assets:

(a) Employee future benefits:

Details of employee future benefits internally restricted net assets are as follows:

(thousands of dollars)	2017	2016
Pensions	$ (18,974)	$ (178,559)
Other retirement and post employment benefit plans	(146,686)	(147,531)
	$ (165,660)	$ (326,090)

(b) Specific purpose:

Details of specific purpose internally restricted net assets are as follows:

(thousands of dollars)	2017	2016
Unexpended departmental carryforwards	$ 98,491	$ 72,623
Research	32,050	26,925
Ancillaries	15,758	12,399
Other	101,219	82,980
	247,518	194,927
Sinking funds	28,366	24,414
Internally financed capital projects	(80,599)	(86,180)
Capital reserves	162,961	151,736
Facilities services projects	32,196	24,566
	$ 390,442	$ 309,463

In 2016, unexpended departmental carryforwards included a $1,500,000 advance to the Faculty of Science. This advance was repaid during the year.

10. Internally restricted net assets (continued):

(b) Specific purposes (continued):

Details of the internally financed capital projects which have various recovery terms and periods are as follows:

(thousands of dollars) Project	Funding source	April 30, 2017 balance
Stadium and Parking Project	Parking fees, pledges, fundraising	$ (16,995)
Ron Joyce Centre - Burlington	Fundraising, Region of Halton, City of Burlington	(2,696)
Les Prince Residence	Ancillary operations	(14,847)
David Braley Athletic Centre	Student levies, pledges, fundraising	(7,197)
McMaster Automotive Resource Centre (MARC)	Various	(7,877)
McMaster University Medical Centre (MUMC)	Various	(4,238)
Comprehensive Energy Reduction Program	Various	(25,979)
Halton McMaster Family Medicine	Various	(770)
		(80,599)

(thousands of dollars) Project	Funding source	April 30, 2016 balance
Stadium and Parking Project	Parking fees, pledges, fundraising	$ (17,893)
Ron Joyce Centre - Burlington	Fundraising, Region of Halton, City of Burlington	(3,965)
Les Prince Residence	Ancillary operations	(15,510)
David Braley Athletic Centre	Student levies, pledges, fundraising	(8,312)
McMaster Automotive Resource Centre (MARC)	Various	(9,728)
McMaster University Medical Centre (MUMC)	Various	(4,538)
Comprehensive Energy Reduction Program	Various	(26,210)
Internal equipment loans	Various	(24)
		(86,180)

11. Equity in capital assets:

The equity in capital assets is calculated as follows:

(thousands of dollars)	2017	2016
Capital assets	$ 1,009,956	$ 967,709
Less amounts financed by:		
Net long-term obligations	(255,020)	(255,622)
Unamortized deferred capital contributions	(486,496)	(462,144)
	$ 268,440	$ 249,943

Details of the transfer for capital transactions are as follows:

(thousands of dollars)	2017	2016
Repayment of long-term debt	$ 622	$ 655
Capital asset purchases from operating, net of disposals	48,072	48,384
	$ 48,694	$ 49,039

12. Endowments:

(a) Internal:

Details of the change in internally restricted endowments are as follows:

(thousands of dollars)	2017	2016
Balance, beginning of year	$ 127,872	$ 136,609
Donations	78	114
Investment income (loss)	19,741	(4,318)
Net transfers and expenses	(4,269)	(4,533)
Balance, end of year	$ 143,422	$ 127,872

Included in internal endowments is an amount of $66,981,000 (2016 - $60,065,000) reflecting the legacy of Dr. H. L. Hooker and $60,922,000 (2016 - $54,208,000) related to the Salaried Pension Plan surplus withdrawal from 2003. Income generated from this capital is used to fund programs that enrich the academic achievements of the University as approved annually by the Board.

(b) External:

Details of the change in externally restricted endowments are as follows:

(thousands of dollars)	2017	2016
Balance, beginning of year	$ 413,181	$ 438,424
External contributions	8,898	6,224
Income retained (used from) - capital protection policy	44,799	(31,467)
Balance, end of year	$ 466,878	$ 413,181

Investment income (loss) on external endowments amounted to $60,202,000 (2016 - ($15,950,000)). In accordance with the endowment capital protection policy, this income (loss) plus (less) the amount made available for spending of $15,607,000 (2016 - $14,597,000) and net transfers of $204,000 (2016 - $(920,000)) were added (used from) to endowment net assets. The amount made available for spending is recorded as investment income in the statement of operations.

13. Commitments and contingencies:

(a) Canadian Universities Reciprocal Insurance Exchange:

The University is a member of the Canadian Universities Reciprocal Insurance Exchange "CURIE", a self-insurance cooperative comprised of approximately sixty Canadian universities and colleges. CURIE insures property damage, general liability and errors and omissions risks. If premiums collected are insufficient to cover expenses and claims, the University may be requested to pay additional amounts.

(b) Legal claims:

The University is involved in certain legal matters and litigation in the normal course of operations, the outcomes of which are not presently determinable. The loss, if any, from these contingencies will be accounted for in the periods in which the matters are determined. Management is of the opinion that these matters are mitigated by adequate insurance coverage.

13. Commitments and contingencies (continued):

(b) Legal claims (continued):

On October 12, 2007, the University was served with a Class Action Claim ("Claim") on behalf of certain retired and active Clinical Faculty members who were, or are, members of the University's defined benefit pension plans for salaried employees ("Plan") during the period from 1973 to-date. The Ontario Superior Court of Justice ("Court") approved a settlement agreement between the University and the representative plaintiffs effective May 15th, 2015. A provision consistent with the Court approved settlement agreement is recorded in the financial statements. The University is in the process of making payments to class members who executed a full and final release in favour of the University.

(c) Debt Service Deficiency Agreement:

The University has guaranteed the scheduled principal and interest payments, up to $23 million of long-term debt extended to The First Longwood Innovation Trust, in the event of default. The total amount of debt outstanding and subject to the Debt Service Deficiency Agreement at April 30, 2017 was $21.9 million (2016 - $22.7 million). Since the agreement may expire without being drawn upon, it does not necessarily represent future cash requirements. As of April 30, 2017, no obligation exists under the agreement and as a result, no amount has been recognized as a liability on the statement of financial position.

(d) Capital commitments:

The estimated cost to complete approved major capital and system projects amounted to $167.9 million at April 30, 2017 (2016 - $223.8 million). The major commitments are as follows: David Braley Health Sciences Centre ($3.2 million), L.R. Wilson Hall ($5.4 million), Gerald Hatch Centre for Engineering Experiential Learning ($1.8 million), The Living Learning Centre ($110.8 million), Combined Heat and Power Plant ($11.5 million), and Biomedical Engineering & Advanced Manufacturing ($14.3 million).

(e) Energy Retrofit Agreement:

In 2007, the University signed a multi-year agreement with Hamilton Health Sciences Corporation ("HHSC") when HHSC undertook a significant energy retrofit project at the McMaster University Medical Centre. Under the terms of the agreement, the University is required to pay approximately 40% of the related costs of the retrofit project. At April 30, 2017, the University's remaining share of the costs are estimated to be $11.4 million (2016 - $12.4 million). Payments to HHSC will take place up to 2029.

(f) Leases:

The University has entered into operating lease agreements for office equipment and buildings. The total annual minimum lease payments in each of the next five years are approximately as follows:

(thousands of dollars)	
2018	$ 2,611
2019	2,158
2020	1,970
2021	1,897
2022	1,855

(g) McMaster Health Campus:

The University entered into a Conditional Financial Contribution Agreement with the City of Hamilton which requires the University to meet certain milestones in order to receive grant installments totaling $20 million between now and 2020, of which $19 million has been received.

13. Commitments and contingencies (continued):

(h) McMaster Main Street Student Residence:

The University is working with a private developer to provide a new up to 1,500 bed undergraduate residence that includes learning, research and additional ancillary university spaces along Main Street West on lands McMaster owns or will own by April 2018. The project land once developed will be an extension of main campus. At April 30, 2017, $6.4 million is recorded in land. The project will be completed in two phases with the first phase expected to be completed by 2020/21. The residence will be managed, operated and used by the University to support its mission.

(i) Grad Residence and Parking Garage:

The University, subsequent to year-end, entered into a conditional capital land lease commencing on or before December 1, 2017 for an initial term of 99 years and four 25 year renewal clauses to construct a 584 bed graduate residence and a 312 space parking garage in downtown Hamilton. The residence project is designed to be a public-private partnership project, for which the University is in ongoing negotiations. The parking garage project will be owned solely by the University.

(j) Research Commercialization

In June 2017 the Board approved an investment of up to $25 million in facilities at MIP, including up to $5 million in in-kind rental space and rent subsidies over the next five years in exchange for an equity interest in one or more of the entities renting the space. These investments are in support of research commercialization opportunities for early stage commercialization and established businesses.

14. Other income:

Details of other income are as follows:

(thousands of dollars)	Major Sources	2017	2016
Faculty of Health Sciences	Non-degree educational fees, specifically funded programs, international postgraduates stipends, space/equipment rentals, other student fees	$ 54,042	$ 52,009
Other Faculties	Non-degree educational fees, international postgraduate stipends, space/equipment rentals, other student fees	8,644	5,966
Academic Services	Contracts and patent royalties, registrar administration fees	10,814	11,169
Student Services	Athletics and Recreation memberships and user fees	18,078	17,490
Miscellaneous	Nuclear reactor sales, application fees, late payment fees, sales of utilities and other departmental sales	18,227	17,411
Other Investment (Loss) Income	The Director's College, Adiga Life Sciences Inc., and McMaster Innovation Park	(3,735)	317
		$ 106,070	$ 104,362

15. Related party transactions:

In addition to certain transactions and balances disclosed in note 4, the University received funds of approximately $257,000 (2016 - $1,348,000) during the year from fundraising entities.

16. Financial risks and concentration of credit risk:

(a) Liquidity risk:

Liquidity risk is the risk that the University will be unable to fulfill its obligations on a timely basis or at a reasonable cost. In managing liquidity risk, the University focuses on liquid resources available for operations. The University's objective is to have sufficient liquid resources to continue operating even if adverse financial events were to occur and to provide it with the flexibility to take advantage of opportunities that will advance its mission. The need for sufficient liquid resources is considered in the preparation of its annual and capital budgets and by monitoring and forecasting of cash flows. The University maintains a line of credit of $15 million which can be used in the event of a short-term deficiency in cash flow. The line of credit was not used in 2017. In addition, the University could issue unsecured debentures or enter into other long-term debt to assist in the financing of capital projects. There has been no change to the risk exposure from 2016.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The University is exposed to credit risk with respect to accounts receivable. The University assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts (note 3).

(c) Interest rate risk:

The University is exposed to interest rate risk on its fixed interest rate financial instruments. Further details about the fixed rate investments are included in note 2 and the long term obligations are included in note 7.

(d) Currency risk:

Investments that trade in foreign markets are exposed to currency risk as the price in local terms on the foreign stock exchange is converted to Canadian dollars to determine fair value. The University’s overall currency positions are monitored on a daily basis by the portfolio manager. There has been no change to the risk exposure from 2016.

17. Ontario student opportunity trust fund:

External endowments include grants for funding student aid provided by the Government of Ontario's Student Opportunity Trust Fund matching program. Under the program, the Province has matched qualifying external endowment donations received with equal contributions.

(a) Ontario Student Opportunity Trust Fund - Phase I

The following schedule represents the changes for the years ended April 30th, in the first phase of the Ontario Student Opportunity Trust Fund (OSOTF I) balance:

(thousands of dollars)	2017	2016
Endowment balance, beginning of year	$ 32,842	$ 32,611
Investment income retained for protection of capital	122	582
Investment income transferred to expendable income	(228)	(351)
Endowment balance, end of year	32,736	32,842
Funds available for awards, beginning of year	-	-
Investment income	1,408	1,306
Bursaries awarded (2017 - 1,347 awards; 2016 - 1,361 awards)	(1,636)	(1,657)
Investment income transferred from endowment balance	228	351
Funds available for awards, end of year	-	-
Total funds at book value	$ 32,736	$ 32,842

The market value of the endowment as at April 30, 2017 was $38,626,000 (2016 - $34,768,000).

(b) Ontario Student Opportunity Trust Fund - Phase II

The Ontario government requires separate reporting of balances as at April 30th, and details of the changes in the balances for the period then ended with respect to the second phase of the Ontario Student Opportunity Trust Fund (OSOTF II) of McMaster University including Divinity College.

The following is the schedule of changes for the years ended April 30th:

(thousands of dollars)	2017	2016
Endowment balance, beginning of year	$ 6,093	$ 5,961
Investment income retained for protection of capital	33	132
Endowment balance, end of year	6,126	6,093
Funds available for awards, beginning of year	44	34
Investment income for expenditures	255	239
Bursaries awarded (2017 - 252 awards; 2016 - 247 awards)	(241)	(229)
Funds available for awards, end of year	58	44
Total funds at book value	$ 6,184	$ 6,137

The market value of the endowment as at April 30, 2017 was $7,265,000 (2016 - $6,570,000).

18. Ontario trust for student support:

External endowments include grants for funding student aid provided by the Government of Ontario's Ontario Trust for Student Support (OTSS) matching program. Under the program, the Province will provide an equivalent matching contribution for external endowment contributions made to a specified ceiling.

The following is the schedule of changes in the endowment and expendable balances for the years ended April 30th:

(thousands of dollars)	2017	2016
Endowment balance, beginning of year	$ 39,026	$ 38,134
Investment income retained for protection of capital	286	892
Endowment balance, end of year	39,312	39,026
Funds available for awards, beginning of year	1,255	1,284
Investment income for expenditures	1,486	1,425
Bursaries awarded (2017 - 555 awards; 2016 - 489 awards)	(1,556)	(1,454)
Funds available for awards, end of year	1,185	1,255
Total funds at book value	$ 40,497	$ 40,281

The market value of the endowment as at April 30, 2017 was $51,124,000 (2016 - $45,652,000).

19. Pledges:

Outstanding but unrecorded pledges for donations and other fund raising amounted to approximately $95,000,000 (2016 - $94,000,000).

20. Comparative figures:

Certain comparative figures for 2016 have been reclassified to conform with the financial statement presentation adopted in the current year.

McMaster University

REPORT TO THE BOARD OF GOVERNORS
FROM THE
PLANNING AND RESOURCES COMMITTEE

i. Peter George Centre for Living and Learning – Budget Revision

On July 21, 2017, the Planning and Resources Committee reviewed and approved the proposed revision to the budget for the Peter George Centre for Living and Learning. The additional costs for the project have been recommended to provide Housing and Conference Services the ability to provide an enhanced student experience, including features related to learning, physical activity and engagement space. Details of the revised document are contained in Attachment I of the circulated report.

It is now recommended,

that the Board of Governors approve the budget revision for the Peter George Centre for Living and Learning, as contained in Attachment I.

Board of Governors: FOR APPROVAL
October 26, 2017

Date: July 20, 2017

To: Planning and Resources Committee

From: Dr. Mohamed Attalla, Assistant Vice-President and Chief Facilities Officer
Ehab Kamarah, Director, Design and Construction

Re: **Peter George Centre for Living and Learning – Project Budget increase Approval**

Recommendation

1. That the Planning and Resources Committee approves for recommendation to the Board of Governors the increase of the project's overall budget from $117.950 Million to $122.320 Million.

2. That the Planning and Resources Committee approves an increase of the value of Purchase Orders to be issued to the Construction Manager from an overall value of $90 million + HST to $94.226 million + HST. These purchase orders will be issued for different work packages that will be tendered by the Construction Manager.

Background

At the May 7th, 2015 meeting, the Planning and Building Committee approved for recommendation to the Board of Governors, the proposed new twelve-story building, to accommodate residence for 500 students, academic and administrative space (i.e., Student Wellness Centre and Student Accessibility Services), the McMaster Children Centre, Hospitality, and underground parking on McMaster's main campus at a cost of $117.950 million.

At the May 14th 2015 meeting, the Finance Committee approved the project.

At the June 17th, 2015 meeting, the University Planning Committee approved the project.

At the June 4th, 2015 meeting, the Board of Governors approved the proposed twelve-story building.

At the September 17, 2015 meeting, the Planning and Building Committee approved the retention of Diamond Schmitt Architects Inc for the design of the Living and Learning Centre.

Origin

In alignment with the strategic direction of McMaster University and key priorities as outlined in Forward with Integrity to enrich the student experience on campus, the proposed Living and Learning Centre leverages development of a new residence to accommodate other pressing needs; specifically, the need for academic, administrative, daycare, hospitality, and parking space.

There is not enough accommodation to meet the demand for all first year students who wish to live on campus. This is a competitive disadvantage. There is also mounting pressure on the scheduling of existing learning spaces and the need for active learning and experiential education spaces. Furthermore, there is a need to accommodate new enrolment. The University has also made a commitment to provide a new permanent Children's Center to replace the one that was located at Wentworth House

Project Budget increase

During the schematic design and the design development stages of the project, necessary enhancements were offered to the Housing and Conference Services in support of elevating the student experience with a goal of enhancing and strengthening the student learning with physical activity and engagement space. In order to accommodate these enhancements, the consultant has incorporated the following changes to provide quality performance facilities:

- The achievement of the necessary enhancement includes improved washrooms in the double-double student suites in order to maximize the convenience of the four student residents in using the bathroom facility simultaneously with the needed privacy.

- The freight elevator was extended from Level 4 to Level 11 which requires 7 additional stops.

- Also, resizing and relocating the student lounges and student study rooms to achieve the arrangement requested to overlook the football field and offer rental opportunities for Conference Services use.

- Operable windows for the student residence rooms vs. fixed windows so occupants can open windows for a seasonal change.

- One common washroom was added on each floor of the residence seven floors.

- In addition, a community kitchen was added to the Common "multipurpose" room and a separate gaming room were incorporated on Level 3, including all necessary new equipment and furniture.

The Business Case's Estimated Project Cost for the Housing and Conference Services is $42.13 Million (including Net HST). To incorporate all of the above enhancements, an additional cost of $4.37 Million (including Net HST) is required, for a new Estimated Cost, for the Housing and Conference Services, in the amount of $46.5 Million (Including Net HST).

This additional cost was identified during the early project design development stage and should have been brought forward at that time for approval. It was also believed that completing the design will provide a better certainty for the expected costs.

Estimated Project Cost By Final Funding Source

Final Funding Source	Approved Project Cost Estimated Project Cost Summary for Funding Category (Millions)	Approved Percentages Percentage of Total Project Cost	Proposed Project Cost Estimated Project Cost Summary for Funding Category (Millions)	Proposed Percentages Percentage of Total Project Cost
McMaster Capital Reserve	$68.51	58%	$68.51	56%
Housing & Conf. Services	**$42.13**	**36%**	**$46.5**	**38%**
Parking Services	$6.16	5%	$6.16	5%
Hospitality Services	$1.15	1%	$1.15	1%
Total (Approximate)	**$117.95**	**100%**	**$122.32**	**100%**

Funding Revision

The approved business case requires Housing and Conference Services to cover its portion of capital costs at the University's weighted average cost of capital (currently 5.75%). The increase in capital cost has been agreed to by Housing and Conference Services and Financial Affairs confirms its ability to repay the capital loan (also monitored through the annual budgeting process, which requires loan schedules to be included within the budget submission and budget planning process).

Health, Safety and Risk Management Report to the Board of Governors

Agenda Item 14.a.

Report 2017-4 for the period May 20, 2017 – September 29, 2017

The Health, Safety and Risk Management (HSRM) unit of Human Resources Services incorporates Environmental and Occupational Health Support Services (EOHSS), Employee Health Services (EHS) and works in cooperation with the Organizational Development unit. Together, we strive to promote the health, safety, wellness and engagement of all McMaster employees.

Executive Summary

- Ministry of Labour (MOL) visited campus on one occasion as a result of an anonymous complaint. The Inspector investigated and found the complaint unfounded. As such no orders were issued.
- Lost time days have increased in 2017 compared with lost time days in 2016, resulting in an expected surcharge position on the WSIB NEER statement.
- McMaster launched a Tobacco and Smoke-Free Campus initiative to take effect January 1, 2018.

1. Training and Loss Prevention Initiatives

- Phase two of the lab safety recommendations are currently in progress. As noted in past reports, in 2015 a Faculty Lab Safety Committee identified a series of recommendations to enhance laboratory safety and emergency preparedness. One of the recommendations included hiring a Health and Safety Specialist dedicated to chemical laboratory safety. EOHSS is happy to announce that Leah Allan, previously from the Department of Chemistry, has joined the team. Next steps will involve the review of the planning for a campus wide chemical inventory system and its implementation. Currently labs have a variety of methods to store their inventory.

- EOHSS collaborated with partners in Housing and Conference Services, Facility Services and Security Services in preparation and support The North American Indigenous Games that were held on campus in July. As part of the safety planning efforts EOHSS assisted with the development and implementation of smudging procedures. These new procedures are now available as a smudging protocol for future events.

- Employee Health Services hosted an information session facilitated by Public Health on Opioids Awareness for the McMaster Community. The Emergency First Response Team (EFRT), a McMaster Student Union service, is currently trained to respond to this type of crisis and will be carrying the nasal spray Naloxone in the emergency kits.

- A new on-line training session was launched for Transportation of Dangerous Goods. This training is necessary for any employee receiving dangerous goods directly to their laboratory in lieu of General Receiving in order to be in compliance with this Federal

legislation.

- EOHSS continues to work on providing the researchers with education tools/information in order to prepare them for the staged WHMIS 2015 implementation. The current stage allows for WHMIS 1988 labelling and material safety data sheets for chemicals to be used in the laboratories. By December 1, 2018 all chemicals that were reclassified under the new legislation will need to be relabelled or disposed of through the chemical hazardous waste stream. In addition, all material safety data sheets will need to be updated and replaced with the new format and content, safety data sheets for compliance purposes.

- The September edition of the Workplace Wellbeing Newsletter was release containing articles on: WHMIS 2015 implementation, importance of health and safety training, fieldtrip and research activities travel approval process (RMM 801), fire prevention week celebration, how to register for emergency notifications on campus, and the 'heads up and phone down" the hazards of distracted walking.

- In addition to the newsletter EOHSS provides safety messages through email, on the campus television screens, through the new EOHSS twitter account: Safety at McMaster, and recently, through Silhouette, the McMaster student newspaper.

- EOHSS is preparing for celebration of fire wardens during Fire Prevention Week in Ontario during the week of October 9th, 2017 Members of the Hamilton Fire Prevention Branch will be joining us at an information booth in MUSC on October 11th, 2017

2. Environmental Update:

- EOHSS just completed a competitive bidding process for the biohazardous waste provider for the University. Daniels is the new provider (replacing Stericycle) effective September 15, 2017. EOHSS will work closely with this new provider as they become accustom to the University campus and lab locations.

3. Government Relations and External Inspections/Audits

- A Ministry of Labour (MOL) Inspector visited campus in early June as a result of an anonymous complaint. The Inspector is required to follow up on all anonymous complaints received by MOL about a workplace. The 9 complaints alleged a variety of issues ranging from: unstable chair storage on campus, a piece of torn carpet , stairwells in poor state, a report that custodians were impaired in the workplace, custodian rooms being used to store alcohol, custodian safety sheet books not current, and a four- foot high ceilings in Gilmour Hall resulting injuries. The Inspector met with EOHSS team and a union representative and discussed the complaints. The Inspector could not find any evidence of these issues and as a result did not issue any orders and completed a field visit report. As noted on the field visit report, all workplace parties are reminded to follow the proper procedure in the workplace to report any health and safety concerns. This means reporting any health and safety concerns to supervisors or a worker or supervisor joint health and safety committee representative in order to have it addressed appropriately by the internal responsibility system in this workplace.

4. Employee Health Services Summary

4.1 Critical Injuries

There were no critical injuries during this period.

4.2 Lost Time Update

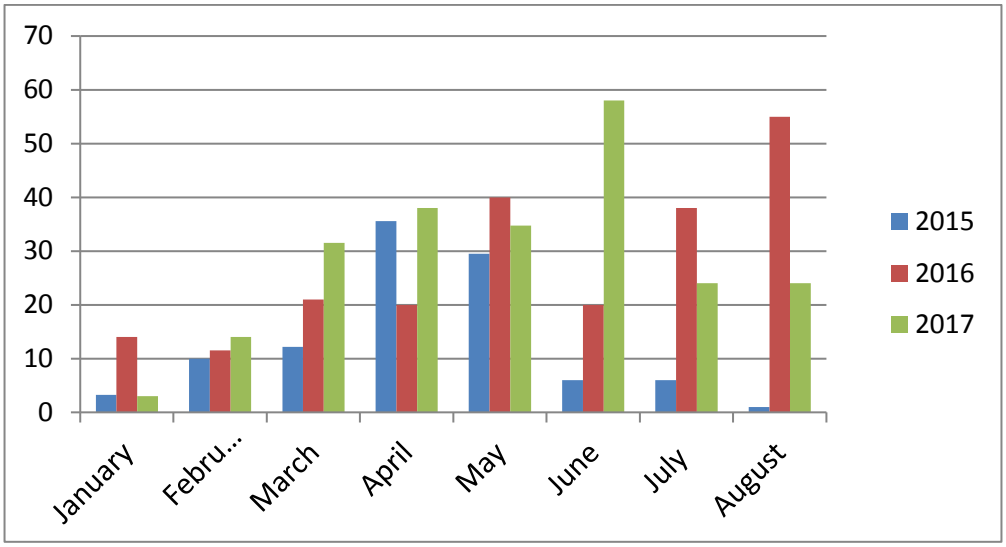
The Employee Health Team (EHS) actively manages WSIB as well as salary continuance, sick leave, employee accommodation requests and long term disability claims. EHS continues to collaborate with departments and faculties to develop and maintain proactive strategies to help reduce lost time incurred by employees throughout the University. The team remains focused on supporting programming, education and processes with the goal of early and safe return to work and reduction of lost time days.

The chart below illustrates the number of WSIB lost time days from January 1-August 31st for the past three years.

Jan. 1- Aug. 31 Year	# of Lost Time Days	# of claims
2015	104	18
2016	210	13
2017	235	15

- In 2017, 2 claims accounted for 164.75 of the 235 lost time days, or 70% of the lost time from January to August 2017.
- In 2016, 2 claims accounted for 154 lost time days, or 61% of the lost time from January – August 2016.

- **Year over Year WSIB Lost time – January to August only**



- 2015- Top 2 long duration claims - 29 days, and 20 days
- 2016 Top 2 Long duration claims- 58.5 days, and 116 days
- 2017- Top 2 Long duration claims- 58 days- (high wage earner- automatically was a max. claim cost of $442,500.00), and another at 111.75 days +

- New Experimental Experience Rating (NEER) Status report for 2017 from the Workplace Safety and Insurance Board (WSIB) is expected to be received in November 2017. This report assesses McMaster University's performance based on our lost time and healthcare claim costs from 2016, 2015, 2014, and 2013

- We predict that McMaster will receive a surcharge in 2017 as the NEER costs for the previous 4 years have exceeded the expected costs. We project that the surcharge amount will be approximately $162,094.20. More information on the exact amount of the surcharge will be provided in our next report after our next NEER report from WSIB is received.

- WSIB claims are proactively managed by McMaster's Employee Health team, including our occupational health nurses, with expert guidance and advice from Windley Ely (a firm specializing in WSIB case management) and with regular communication with the WSIB case managers.

4.3 WSIB Regulatory Changes

WSIB has announced changes to its Rate Framework which will fundamentally change the way the WSIB classifies Schedule 1 employers and sets its premium rates. Effective January 2020, WSIB will move from a system of 800+ classification units to a 22 class structure. A single employer would no longer have multiple WSIB accounts with different premium rates. The new rate structure may result in an increase for McMaster as the

window of claim years that will be affected are in a six year window vs the current framework of four years for NEER.

WSIB has proposed allowing 'chronic mental stress' claims, in addition to 'traumatic mental stress' claims effective January 1, 2018 This change is expected to have a significant impact on lost time, as claims for mental stress today are treated as sick leave/salary continuance. HSRM is currently reviewing the proposed policy language to review options for prevention of absences, modified work/reporting and options to accelerate investigations of such claims. These claims will need to be closely and carefully monitored – to avoid exceptional increases in WSIB costs.

4.4 Mental Health Strategy

- Human Resources Services continues to work collaboratively, on mental health education and supports for all staff, faculty and students. Student Affairs continues to take the lead on student related programming, with Human Resources providing education and programming for employees.

- Mental Health First Aid (MHFA) has been offered since September 2015. The first two years of MHFA training have been very successful and continues to be a valued resource to the McMaster community. To date a total of 241 faculty and staff have received MHFA training. Training is offered every other month throughout the calendar year. Additional online Mental Health Awareness training has been developed and is available through McMaster Online Resource Essentials (MORE), in order to meet the varied needs of faculty and staff. Human Resources is now considering whether any further training is required for supervisors as part of the chronic mental stress claims prevention strategy.

5. Workplace Wellness Initiatives

The Organizational Development (OD) team fosters a supportive work environment that promotes employee development, engagement, recognition and wellness. Organizational wellness is supported by addressing the thirteen psychosocial factors related to the National Standard of Canada for Psychological Health & Safety in the Workplace.

Since the last report, the OD team has focused on providing and promoting a variety of employee wellness strategies aimed at helping faculty and staff to thrive in their personal and professional lives, as well as leading the implementation of a campus-wide wellness initiative. Such activities included:

- Human Resources has partnered with Student Affairs and many other University offices to champion the Tobacco and Smoke-Free Campus initiative. This initiative will effectively ban use of tobacco and other smoke-producing products effective January 1, 2018. The draft Tobacco and Smoke-Free Policy will be submitted to the Board of Governors for approval at its December meeting.

Other recent campus wellness activities include:

- Offered retirement planning workshops to prepare employees for life after work
- Created and distributed monthly communications focusing on topics and supports related to McMaster Employee & Family Assistance Plan and health promotion topics such as tobacco cessation and mindfulness
- Continued to provide subject matter expertise to the Employee Caregiver Research project
- Hosted monthly wellness initiatives related to topics such as Food as Cancer Prevention, Mental Health Stigma, Improving Communication, Men's Health, Kindness, and Personal Wellness
- Partnered with Athletics & Recreation to offer a walking group at the DBAC indoor track twice per week as well as weekly hikes during the summer months
- Continued to promote and support a Weight Watcher's at Work program

Further details about workplace wellness initiatives can be found at:
http://www.workingatmcmaster.ca/healthy-workplace/index.php