UNIVERSITY OF TORONTO

THE GOVERNING COUNCIL

REPORT NUMBER 134 OF THE BUSINESS BOARD

May 3, 2004

To the Governing Council,
University of Toronto

Your Board reports that it met on Monday, May 3, 2004 at 5:00 pm in the Council Chamber, Simcoe Hall, with the following members present:

Ms Jacqueline C. Orange (In the Chair)
Mr. John F. (Jack) Petch, Vice-Chair*
Dr. Thomas H. Simpson, Chair of the Governing Council
Professor Robert J. Birgeneau, President
Ms Catherine J. Riggall, Interim Vice-President, Business Affairs
Professor Angela Hildyard, Vice-President, Human Resources and Equity
Mr. Donald Burwash
Mr. Bruce G. Cameron
Dr. Claude S. Davis
Dr. Alice Dong
Ms Mary Anne Elliott
Ms Susan Eng
Ms Françoise Dulcinea E. Ko
Ms Karen Lewis
Mr. Gerald A. Lokash
Mr. George E. Myhal
Dr. John P. Nestor
Mr. Richard Nunn
Mr. Roger P. Parkinson
Professor Arthur S. Ripstein
Mr. Amir Shalaby
Professor Jake J. Thiessen
Mr. Robert S. Weiss

Mr. John Bisanti, Chief Capital Projects Officer
Ms Sheila Brown, Acting Chief Financial Officer
Dr. John R. G. Challis, Vice-President Research and Associate Provost
Dr. Jon S. Dellandrea, Vice-President and Chief Advancement Officer
Ms Rivi Frankle, Assistant Vice-President, Alumni and Development
Professor Vivek Goel, Interim Vice-President and Provost
Professor Carolyn Tuohy, Vice-President, Government and Institutional Relations
Professor Ronald D. Venter, Vice-Provost, Space and Facilities Planning
Professor Safwat Zaky, Vice-Provost, Planning and Budget

Secretariat:

Mr. Neil Dobbs
Ms Susan Girard

Regrets:

Ms Dominique Barker
Ms Kim McLean
Dr. Paul V. Godfrey
Mr. Timothy Reid
Dr. Susan Scace

* Participated by telephone.

In Attendance:

Professor W. Raymond Cummins, member of the Governing Council; Chair, Academic Board
Professor Barbara Sherwood Lollar, member of the Governing Council
Mr. Felix P. Chee, President and Chief Executive Officer, University of Toronto Asset Management Corporation

In Attendance (Cont'd)

Dr. Beata FitzPatrick, Director, Office of the President and Assistant Vice-President
Mr. Ira Gluskin, Chair of the Board, University of Toronto Asset Management Corporation
Professor George Luste, President, University of Toronto Faculty Association
Mr. John L. W. Lyon, Managing Director, Investment Strategy, University of Toronto Asset Management Corporation

ALL ITEMS ARE REPORTED FOR INFORMATION.

THE MEETING BEGAN *IN CAMERA*.

1. Property Matter

The President briefed the Board on a potential transaction involving a University property.

THE MEETING MOVED INTO OPEN SESSION.

2. Report of the Previous Meeting

Report Number 133 (April 14, 2004) was approved.

3. Investments: University of Toronto Asset Management Corporation: Annual Report, 2003

Ms Riggall said that the University of Toronto Asset Management Corporation (UTAM) provided investment management services to the University. Its operations were overseen by its own Board, whose members were nominated by the Executive Committee of the Governing Council on the recommendation of the President and who were highly expert in investment matters. Mr. Gluskin, the Chair of the Board, would comment generally on UTAM's operations and performance during the year, and Mr. Chee would provide more specific comments. UTAM's financial statements had been provided to members of the Board for the sake of completeness although they had not yet been reviewed by the Audit Committee of the Governing Council. (They had been reviewed by the UTAM Audit and Compliance Committee and approved by the UTAM Board.) Therefore, the motion before the Business Board was for acceptance of the annual report subject to the Audit Committee's acceptance of the financial statements. It was planned to amend the meeting schedule for the University's Audit Committee so that the Committee would have reviewed the 2004 financial statements before they come forward to the Business Board in 2005.

Mr. Gluskin said that he had joined the UTAM Board about two and one-half years ago and had become Chair just over one year ago. He was able to say that the Board was a very serious one consisting of highly qualified and motivated members. Throughout, however, management of the investments was carried out by UTAM's management. UTAM management

3. Investments: University of Toronto Asset Management Corporation: Annual Report, 2003 (Cont'd)

had until April 2003 been led by Mr. Donald W. Lindsey, who was a very able individual and whose departure had been a real loss. UTAM had, however, been very fortunate to have a very highly qualified individual in the person of Mr. Felix Chee to take over the leadership of UTAM. While Mr. Chee had been serving as UTAM's President since April 2003, he had continued also to carry out his duties as Vice-President, Business Affairs at the University for some months, in effect doing two very demanding jobs. While he was now appointed to UTAM on a full-time basis, he was still providing advice to the University on certain business matters. Mr. Chee had recently made some personnel changes at UTAM, including the appointment of a highly qualified second-in-command, whom he would introduce to the Business Board at this meeting.

Mr. Gluskin observed that all investment-management organizations carried out their functions in a distinctive manner. At UTAM, apart from the management of investment-grade bonds, the investment of almost all other assets was out-sourced. UTAM was, nonetheless, a leader in Canada. Most investment-management organizations still invested solely in stocks and bonds. The investment world was, however, discovering the importance of such alternative investment classes as private equity investments and hedge funds. The stock market had been highly volatile in recent years. With an aggressive policy involving a high proportion of equities, the University's funds had suffered serious losses between 2000 and 2002. With significant investments in alternative asset classes that had low correlations with the stock and bond markets, the University should now be well positioned to deal with market volatility. Mr. Gluskin concluded that he and his colleagues on the Board had complete confidence in UTAM's management and its ability to guide the University's investments in the future.

Mr. Chee introduced Mr. John L. W. Lyon, who was today taking up his duties at UTAM as Managing Director, Investment Strategy. He had come to the University from Manulife Financial, where he had been Vice-President and Chief Financial Officer of the Investments Division. Mr. Chee recalled that the University had revamped its investment objectives in 2002, a step that had included implementation of a more conservative spending policy for the endowment funds. That had enabled the adoption of a new asset mix for the pension and endowment funds, and UTAM had spent the early part of 2003 putting the revised asset mix into place. During this period, the markets had turned around, and both the pension and endowment funds had earned returns in excess of 15% for the year. Although the markets had been robust during the year, the strengthening of the Canadian dollar had worked against stronger returns because the funds had a substantial proportion of their assets invested outside of Canada. However, UTAM had a currency hedging program in place, and those partial hedges had succeeded in minimizing the damage caused by the strong dollar. The management of the funds had added value above the benchmark returns (which were a weighted composite of securities indices). In addition, the funds had performed well compared to their peers, with the endowment fund ranking in the top quartile of peer funds and the pension fund ranking just below the top-quartile break.

3. Investments: University of Toronto Asset Management Corporation: Annual Report, 2003 (Cont'd)

Mr. Chee reported that for the first quarter of 2004, the trend of good performance had continued, with the funds up about 5% during a period of relatively flat equity markets. It appeared that this performance would again rank the funds in the top quartile of their peer universe for the first quarter of 2004.

Among the matters that arose in questions and discussion were the following:

(a) Risk profile of the funds. In response to a member's question, Mr. Chee said that UTAM had taken a number of steps to reduce the risk level of its portfolios. Those steps had been based on a view of market, which was that interest rates were more likely to increase than to decline. In those circumstances, the average duration of the bond portfolio had been reduced to below the benchmark index.* Second, with increased interest rates, there was a greater risk of default on bonds. Therefore, UTAM had increased the average credit quality of its bond portfolios. Third, more than half of UTAM's bonds were now real-return bonds, which did better in an environment of rising interest rates. Fourth, the composition of the equity (or stock) portfolios was being changed. UTAM had done well in 2003 and in the first quarter of 2004 by emphasizing the stocks of smaller and mid-sized companies. With a rising-rate environment, UTAM was also considering a move back to safer, large-capitalization or blue chip companies. Finally, UTAM was examining its investments in hedge funds. It had culled the most volatile of those funds and was instead investing in funds that sought to provide a positive return in both rising and declining market conditions. Those funds were described as absolute-return hedge funds, which was a new category in UTAM's asset mix.

(b) Hedge funds. In answer to a member's questions, Mr. Gluskin said that UTAM had a staff member (the Manager, Compliance) who devoted her full time to examining detailed questions about controls over investment processes, both internally at UTAM and externally in the operations of UTAM'S portfolio managers. She devoted a large part of her attention to the hedge funds. The hedge funds that were used were for the most part those designed to have low correlations with the regular stock and bond markets and therefore to prevent losses when those markets declined, which they tended to do in an environment of rising interest rates.

Mr. Chee observed that UTAM was moving in the direction of making hedge-fund investments through funds of hedge funds. While this involved paying an additional level of fees for management of these investments, the external managers of those funds of hedge funds did provide the expert due-diligence required to select and monitor the individual hedge funds. Use of funds of funds would also foster diversification, with UTAM gaining exposure to as many as thirty to fifty different individual funds.

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* The market value of existing bonds declines as new bonds with higher interest rates are issued; the market value of bonds with shorter terms and durations decline less.

3. Investments: University of Toronto Asset Management Corporation: Annual Report, 2003 (Cont'd)

Mr. Gluskin noted that particularly in the early years of UTAM, the Board had spent a very large proportion of its time on investments in the alternative asset classes. It was very conscious of the issues involved.

On the recommendation of the Interim Vice-President, Business Affairs,

Subject to the recommendation of the Audit Committee that the University of Toronto Asset Management Corporation's audited financial statements for 2003 be accepted,

YOUR BOARD ACCEPTED

The University of Toronto Asset Management Corporation annual report and financial statements for 2003.

A member offered his thanks to Mr. Gluskin and Mr. Chee and their team at UTAM. After a difficult period, it was very pleasing to look at a report of superior performance. The annual report itself was very clear. The new definition of investment goals was also a clear one. As a result, the member felt much more comfortable about the investment of the University's assets. The Chair said that the member's comments reflected the view of the Business Board as a whole and, on behalf of the Board, she added her thanks. The President added his thanks to Dr. Simpson, who was playing a leading role on the UTAM Board and had played a particularly critical role in UTAM's transition to its new leadership.

4. Financial Situation of the University: Background Briefing

The Chair recalled that the series of background briefings was intended to keep the Board focused on the major, long-range, strategic issues affecting the University's overall financial situation.

Ms Brown presented the briefing. She displayed the key elements of the University's income statement for the year ended April 30, 2003, and she recalled that it included the revenues and expenses of the University's four fund groups: the operating fund, the restricted funds, the capital fund and the ancillary operations fund. Ms Brown's briefing at this meeting would concentrate on the restricted funds and the capital fund.

- **Restricted funds**. The restricted funds included the funds received from two sources: research grants and donations. However, when research awards or donations were provided for capital purposes or spent on capital assets, they were recorded in the capital fund.

4. **Financial Situation of the University: Background Briefing** (Cont'd)

- **Restricted funds: revenue recognition**. Ms Brown described the accounting for grants and donations. If donations of expendable funds were not restricted by the donor, they were recorded as revenue when received. Any unspent amounts in the restricted funds were recorded as committed capital. If donations of expendable funds were provided by donors for restricted purposes, those funds were not recognized as revenue when received. Rather, they were recognized when they were spent; therefore there were matching streams of revenue and expenses. Unspent, restricted, expendable grants and donations were recorded as liabilities - either deferred contributions (for operating purposes) or deferred capital contributions (for capital purposes) – until spent. Deferred capital contributions were, of course, recorded in the capital fund. Donations to the endowment were never recognized as revenue on the income statement. Rather, they were recorded as direct additions to the capital of the endowment funds.

- **Restricted funds: assets, liabilities and capital**. Ms Brown displayed the assets, liabilities and capital of the restricted funds group as at the end of the fiscal years from 1998 to 2003. For example, as at April 30, 2003, the assets were $1.493.7-billion and the capital $1.219.3-billion, with the liabilities being $274.4-million. The liabilities were almost entirely the restricted funds that had not yet been spent. The growth in the restricted-fund liabilities over the six years reflected the increased amount of activity funded by research grants, with the unspent portion of research grants recorded as the liability, "deferred contributions."

- **Restricted funds: Revenues and expenses**. Ms Brown displayed the revenues, expenses and net gain or loss for the restricted funds group for the past six fiscal years. The graph showed net gains for the restricted funds group in the 1998, 1999 and 2000 years, with growing net losses thereafter. The net loss or gain reflected primarily the investment performance of the endowments. The overall fluctuation in revenues and expense reflected the difference in the amount of research grants awarded and spent in a given year.

- **Restricted funds: current year's surplus or deficit**. Ms Brown also displayed the current year's surplus or deficit in the restricted funds for the past six years. The net gain or loss was in all years matched by transfers from or into the restricted funds, leaving no surplus or deficit. The transfers reflected the relationship between the endowment payout and investment performance.

- **Capital planning and budgeting**. Ms Brown recalled that the Capital Projects Report received by the Board at each meeting represented an update of the current capital plan containing projects costing more than $2-million that had been approved by the Business Board. Those capital projects were funded by University funds, donations, deferred capital contributions and borrowing. The report included other capital requirements: (a) older, completed capital projects with borrowing and (b) matching funds for donations to the endowment that had to be matched by the University, where the matching funds had

4. Financial Situation of the University: Background Briefing (Cont'd)

to be borrowed. Those other capital requirements were not, of course, a part of the current capital plan. The capital budget, included in the Budget Report that had come before the Board at the April 14 meeting, showed a higher total than the Capital Projects Report because it included the smaller projects – those costing less than $2-million, which did not require Board approval. Ms Brown noted that the first capital budget had been that included in the 2003-04 Budget Report.

- **Capital requirements and borrowing**. Capital requirements consisted of two types: the requirements for the current capital plan and the other requirements noted above (outstanding loans for older capital projects and borrowing for matching funds). For the current capital plan, capital requirements included $351.29-million for completed projects, $324.2-million for projects under construction, and $127.98-million for projects at the tender or pre-tender stages. As indicated in the capital projects report, the total cost for the current capital plan was $803.47-million. Of that amount, $337.96-million was being funded, leaving a borrowing requirement of $465.51-million for the current capital plan.

  Added to that were (a) the $111.29-million balance of borrowing for older, completed capital projects (principally residences and parking structures) and (b) the $44-million of borrowing to match donations to the endowment.

  The outcome was a total borrowing requirement of $620.80-million, which used all of the borrowing capacity as currently defined. That amount did, however, include $34-million in project budgets for contingencies.

- **Repayment of borrowing: current capital plan**. Repayment of the principal of the borrowing for the current capital plan would be made from the following sources:

  - The University Infrastructure Investment Fund (funded by the operating budget) $104.94-million.
  - The Enrolment Growth Fund (operating funding arising from increased enrolment) $48.48-million
  - Academic divisions for which new facilities were constructed, $30.44-million.
  - Student levies to support facilities for student activities, $22.95-million
  - Ancillary operations' payments from their revenue (primarily residence and parking fees), $224.82-million.
  - Contingency, $33.88-million

  In addition, each source would be responsible for the interest on the relevant amount.

- **Repayment of borrowing: other requirements**. Repayment of the principal of the borrowing for the other requirements would be made from the following sources:

4. Financial Situation of the University: Background Briefing (Cont'd)

- University Infrastructure Investment Fund, $5.81-million
- Enrolment Growth Fund, $6.61-million
- Academic divisions, $9.26-million
- Student levies, $2.43-million
- Ancillary operations, $70.73-million
- Other central funding, $60.45-million

Again, each source would be responsible for the interest on the relevant amount.

- **Capital accounting**. Capital projects were recorded in the accounts of the capital fund, except for capital projects for the ancillary operations, which were recorded in the ancillary operations fund. Expenditures on capital infrastructure and other capital assets were recorded as assets on the balance sheet and then reduced each year by the amount of depreciation, which was recorded as an expense. The recording of depreciation expense was a relatively new concept for the University, introduced in 1998 when the University had implemented changes to generally accepted accounting principles for not-for-profit organizations, which had been brought into line with those used in the private sector. Restricted capital funding – both grants and donations - were recorded as income only as the facilities were depreciated. Until the amounts were depreciated, they remained on the University's financial statements as liabilities – deferred capital contributions in the capital fund. Parts of these restricted grants and donations could remain on the balance sheet as liabilities for over forty years.

- **Capital accounting: example 1, a project completed using external borrowing**. Ms Brown provided two examples of accounting for a capital project: one completed with external borrowing and one with internal borrowing. In the first example, the $100-million hypothetical project was funded by a government grant of $30-million, University cash funding of $20-million and $50-million of external borrowing (a part of the proceeds of one of the debenture issues). When the project was completed, the $100-million project would be recorded as an asset. It would be offset by two liabilities: a $30-million deferred capital contribution (arising from the government grant) and the $50-million of long-term debt. The University's capital would be increased by $20-million, recorded as equity in capital assets. The value of the asset would decline over time as depreciation was recorded, as would the liability - deferred capital contribution - and the value of the equity in capital assets. As the principal of the debt was repaid, the University's cash would increase as money was set aside in a sinking fund to repay the debenture holders when the debenture became due.

- **Capital accounting: example 2, a project completed using internal borrowing**. In this example, the hypothetical $100-million capital project again received a government grant of $30-million and $20-million of University funding. The $50-million of borrowing was handled internally, from the University's Expendable Funds Investment Pool (EFIP) – a portion of the University's cash float that was unlikely to be required for

4. **Financial Situation of the University: Background Briefing** (Cont'd)

day-to-day purposes. In this example, when the project was completed, the University's assets would increase by $100-million to record the value of the project but would decline by $50-million to show the decline in cash in the EFIP, for a net increase of $50-million. Liabilities would increase by $30-million, as the government grant was recorded as deferred capital contribution. The University's capital would increase by $70-million of equity in capital assets but decline by $50-million reflecting the reduction in unrestricted capital, for a net increase of $20-million in capital. The unrestricted capital was currently in negative balance, reflecting the borrowing from the University's cash float, which included funds recorded as deferred contributions. The value of the asset, the amount of the deferred capital contribution arising from the government grant, and the University's capital would all decline with depreciation. Cash and unrestricted capital would increase as the internal borrowing was repaid over time.

- **Capital accounting: depreciation charging and funding**. In 2002-03, the University had recorded $71.1-million of depreciation. Most of this amount, but not all, was funded from revenues: $35.7-million from operating revenues, $6.2-million from ancillary revenues, and $23.8-million from the recording of deferred capital contributions as revenue. The remaining $5.4-million was funded by a reduction in the University's capital assets and unrestricted capital. This would contribute to the University's deficit. Depreciation funded from capital would increase as the University increased internal borrowing and would show on the income statements as an expense without offsetting revenue. Ms Brown anticipated that depreciation funded from capital would increase to about $8-million per year once the full $200-million of planned internal borrowing was in place.

- **Capital accounting: capital assets acquired with operating funds**. Ms Brown recalled that she had, at the April 14 meeting, displayed a diagram showing inter-fund transfers that had affected the operating fund's unrestricted capital and its surplus/deficit. One of those transfers was a $33.1-million transfer from the operating fund to the capital fund. That amount reflected capital assets acquired with operating funds. In 2002-03, $35.7-million of operating fund receipts were recorded as revenue and used to acquire capital assets. Most of this amount, i.e. $33.1-million, was transferred to the capital fund. It offset $33.1-million of the depreciation recorded as an expense in the capital fund.

- **Capital Fund assets, liabilities and capital for the six years ended April 30**. Over the six years 1998 – 2003, the assets in the capital fund had grown from $351.2-million to $647.78-million reflecting the University's capital program. Liabilities had also grown over the six years from $207.3-million to $526.7-million, reflecting increased capital debt and the increase in deferred capital contributions, which were recorded as liabilities until both the value of the assets and the corresponding liabilities were depreciated over time. Net capital had declined somewhat over the six years from $143.9-million to $121-million.

4. **Financial Situation of the University: Background Briefing** (Cont'd)

- **Capital fund revenues and expenses for the six years ended April 30**. Capital-fund revenues had varied over the six years between $22-million and $36-million, with revenues of $34.5-million in 2002-03. Expenses had also varied between $63-million and $81-million, with expenses of $71.6-million for 2002-03. Those expenses were primarily depreciation. The net loss had varied between $37.1-million (the amount in 2002-03) and $52.1-million, representing primarily depreciation that was not offset by revenue.

- **Capital fund: annual surplus/deficit**. Over the four years from 1998 to 2001, the net losses in the capital fund had been largely offset by transfers, primarily transfers from the operating fund. In 2001-02, transfers of $40-million had left a capital-fund deficit of $5.2-million for the year. In 2002-03, transfers of $17-million had left a capital fund deficit of $20.1-million for the year. Ms Brown said that the University would have to deal with both the actual funding of capital projects and transfers to the capital fund to cover the accrued depreciation charges. She stressed that amounts to cover depreciation charges were not explicitly budgeted in the operating budget, which was cash-based and which did anticipate capital cost outlays. The financial statements included accrued depreciation expense.

Ms Brown recalled that she had, in her financial background briefings, been describing the sources of the $164.4-million net loss shown on the income statement for the year ended April 30, 2003. The elements explained previously had included investment losses of $55.6-million in expendable funds and internally restricted endowment funds, $69.7-million of pension and other employee-future-benefits expense, and the $15.5-million deficit in the operating fund, offset by the $1.3-million net gain in the ancillary operations fund. She had added two further elements in the current briefing: the $5.4-million of depreciation not offset by revenue and the $9.8-million of spending of committed capital in the restricted funds. That represented the expenditure of restricted funds received in previous years.

Ms Brown observed that the matter of investment losses had been addressed by the Board's approval of new investment policies. The matter of pension expense had been addressed by the Board's approval of the Pension Funding Strategy. The liability for employee future benefits (other than pensions and disability insurance) was currently being funded on a pay-as you-go basis. The question of the operating fund deficit had been considered in the Board's review of, and the Governing Council's approval of, the Long-Range Budget Framework. The ancillary operations fund was essentially in balance. The amount of depreciation expense would increase over time. The spending of the committed capital in the restricted funds would ebb and flow over time. Ms Brown concluded by noting that the Board would look at these issues as a whole in its review of the audited financial statements in June.

The Chair expressed regret that there was insufficient time to consider the remainder of Ms Brown's presentation, which dealt with internal and external debt. She asked that the slides for that part of the presentation be redistributed to the Board in June. The Chair thanked

4. Financial Situation of the University: Background Briefing (Cont'd)

Ms Brown for her excellent presentation. She had provided the Board with a great deal of detail, and the exercise had been a very valuable one.

5. Capital Projects Report

The Board received, for information, the Capital Projects Report as at April 30, 2004. Professor Venter observed that there had been very little change from the March 31 report, presented at the previous meeting. The new report reflected the approval of the spending of $1-million to begin the Library storage facility at Downsview. Furthermore, the University would proceed with Phase II of the Economics Building, and this would be updated at the June Business Board meeting. For the time being, the capital plan as a whole remained stalled because the $620-million of available debt financing had been allocated.

6. Capital Project: Sidney Smith Hall Patio Enclosure

Professor Venter recalled that in 2001 the Governing Council had approved two projects to add space to Sidney Smith Hall. The first was the infill project and the second was the patio enclosure project. Because there had been insufficient cash to proceed with both projects, the University had completed the infill project. In doing so, it had achieved a cost saving of $212,000. The cost of the patio enclosure project had, however, increased from the originally approved $3.3-million. The cost had been increased by the need to remove asbestos, the decision to include air conditioning to allow for extended summer use, and the addition of certain other features to enhance usability and reduce maintenance costs. After tender revisions, the final cost had increased by $420,000 to $3,720,893, including all finance costs and contingency allowances. The additional cost would be met from several sources: the $212,000 saving on the infill project; $110,000 from savings from two facilities renewal projects, $37,500 from the building's maintenance fund, $37,500 from general facilities renewal funds, and $24,000 from the Faculty of Arts and Science. There would be no need to incur further debt to proceed with this project. Professor Venter noted that the Vice-President, Business Affairs was entitled to approve cost increases up to 10% of the total project cost. In this case, the increase was marginally greater than that limit. The ability to garner several sources of funding to allow the project to proceed represented good news.

6. Capital Project: Sidney Smith Hall Patio Enclosure (Cont'd)

On the recommendation of the Interim Vice-President, Business Affairs,

YOUR BOARD APPROVED

The $420,893 increase in the total project cost of the Sidney Smith Hall Patio project, from the previously approved $3,300,000 to $3,720,893, with sources of funding as follows:

i $212,000 from savings from the Sidney Smith Hall Infill Project,
ii $110,000 from savings from two Facilities Renewal Projects [Reference CFC 101101 I/O 900 580 & CFC 101101 I/O 900 582],
iii $37,500 from the Sidney Smith Hall Maintenance Fund,
iv $37,500 from the Facilities and Services Facilities Renewal Funds 2004/5, and
v $23,893 from the Faculty of Arts and Science.

The Chair complimented Professor Venter and his colleagues on their ingenuity in identifying the alternative funding to enable the project to proceed.

7. Date of Next Meeting

The Chair reminded members that the next regular meeting was scheduled for Thursday, June 17, 2004 commencing at 5:00 p.m. in the Council Chamber.

The meeting adjourned at 6:45 p.m.

Secretary

Chair

May 14, 2004

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