

*The Board of Governors acknowledges and respects the Algonquin First Nation, on whose traditional territory the Carleton University campus is located.*

**Minutes of the 581<sup>st</sup> Meeting of the  
Board of Governors**

**Wednesday, November 28<sup>th</sup>, 2013 at 4:00 p.m.  
Room 2440R, River Building**

<b>PRESENT:</b>	Mr. R. Jackson, Chair	Dr. R. O'Reilly Runte	Ms. D. Armstrong
	Ms. S. Bharadia	Dr. C. Carruthers	Ms. S. Cooper
	Ms. L. A. Daly	Mr. N. Falvo	Ms. J. Gilbert
	Mr. A. Golovko	Prof. R. Gorelick	Mr. E. Greenspon
	Ms. P. Griffin-Hody	Mr. O. Javanpour	Prof. T. Kunz
	Prof. M. MacNeil	Dr. P. Merchant	Ms. M. Porter
	Mr. A. Tattersfield	Ms. R. Thompson	Mr. B. Wener
	Mr. M. Wernick	Mr. B. Wolfenden	Prof. C. Worswick
<b>STAFF:</b>	Ms. A. Bauer	Ms. S. Blanchard	Ms. J. Bray
	Mr. P. Chesser	Mr. D. Cumming	Ms. S. Crocker
	Mr. R. Moher	Dr. P. Ricketts	Mr. T. Sullivan
	Mr. D. Watt		
<b>REGRETS:</b>	Mr. D. Craig	Dr. C. Freedman	Mr. B. Hobin
	Ms. L. Levonian	Mr. M. Robinson	Mr. J. Ruddy
	Mr. A. Vered		

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**OPEN SESSION**

**PRESENTATION – CUSA's Gift to Carleton University**

The Carleton University Students' Association created a new \$212,000 bursary to support students in need. The bursary will be awarded every year to ten undergraduate students, two per faculty. A presentation was made by the CUSA President to the Board of Governors. Both the Chair and President thanked CUSA for its generosity as this gift from the students will make an enormous difference to those who have financial challenges.

## **1. CALL TO ORDER AND CHAIR'S REMARKS**

The Chair called the meeting to order at 4:10. He noted that reports from Communications, Advancement and Student Support Services were placed on the desks.

## **2. APPROVAL OF AGENDA**

It was moved by Mr. Javanpour and seconded by Ms. Griffin-Hody that the agenda be approved. The motion carried.

## **3. CONSENT AGENDA**

The Consent Agenda was circulated with the meeting documentation. It was moved by Ms. Daly and seconded by Mr. Tattersfield that the Consent Agenda be approved, as presented. The motion carried.

## **4. PRESIDENT'S REPORT**

The Associate Vice-President (Research Planning and Operations) made a presentation on Research Report and Planning.

The President provided a report on various strategic plan initiatives:

- The Aboriginal Education Council has been established and held its first meeting, and the Aboriginal Center opened.
- Carleton Leader Program for sustainable leadership and formation for future leaders was launched.
- The Discovery Center and 1125@Carleton opened.
- Carleton has exceeded enrolment targets, surpassed fundraising levels from previous year to date, increased international initiatives and increased efforts at partnerships with other universities and colleges, with business and not-for-profit agencies.
- There are major initiatives being undertaken with China that include a number of strategic agreements.
- Challenges being faced at Carleton include: rankings and reputation; the technology divide; investing in the future and lean strategies; and a culture of positive progress.

## **5. CHAIR'S REPORT**

The Chair reported on the CCOU meeting he attended in early November. Discussions involved the status of mandate agreements, impact on wages, efficiencies and cost reductions.

## 6. COMMITTEE CHAIR REPORTS

The Chair noted that Mr. Craig has agreed to be acting Vice-Chair of the Building Program Committee.

Those committee chairs and vice-chairs in attendance presented provided a brief overview of their respective committees.

## 7. ITEMS FOR ACTION

### 7.1 Framework for the 2014-2015 Operating Budget

The Vice-President (Finance and Administration) made a presentation. He provided a financial overview, changes since April 18<sup>th</sup>, 2013 when the 2013-2014 budget was approved and the 2013-2019 planning framework. He reviewed the 2013-2014 Operating Revenues and Expenditures, noting that income from tuition fees and the government grant are solely based on registration. Most of the expenditures are allocated to salaries and benefits.

#### *Undergraduate Enrolment*

The University is forecasting a 1% increase in first-year student enrolment.

#### *Pension Status*

The University filed a valuation as of July 1, 2010. The Plan value as of July 1, 2010 was \$688 million with a wind-up deficiency of \$168 million and a Going-Concern deficit of \$48 million. Preliminary results for the July 1, 2013 valuation indicate a Plan value of \$850 million with a wind-up deficiency of \$156 million and a Going-Concern deficiency of \$91 million.

A recent pension announcement specified further relief for three years based on interest payments only on solvency deficit.

#### *2013-2019 Planning assumptions*

##### Revenue

- Retention at average of past three years;
- Domestic tuition fees will increase 3% per year;
- Increased first-year enrolment by 1% per year; and
- Discounted government funding to university sector for undergraduate growth.

##### Expenditures

- Annual reduction in expenditures of \$2.0 million;
- Extraordinary pension payments (started in 2010-2011);
- Annual base fund of \$1 million for mission-critical initiatives;

- Enrolment-Linked Budget Allocation model in place that provides 40% of net new income from undergraduate growth to faculties.

#### Future Uncertainties

- Demographics – Participation rates
- Special payments to Pension Plan
- Operating Grant Reduction
- Provincial Election
- CUPE grievance regarding Pension Plan changes

It was moved by Mr. Greenspon and seconded by Mr. Wener that the Administration be directed to develop a 2014-2015 Operating Budget that will permit progress towards institutional priorities. The motion carried with three abstentions.

#### *Ancillaries*

The ancillaries consist of Athletics, Bookstore, Health and Counselling Services, Housing and Conference Services, Graphic Services, Parking and University Centre. Their mandate is to break even in terms of generating sufficient revenues to fund the cost of providing service.

It was moved by Mr. Javanpour and seconded by Mr. Wernick that the Administration be directed to develop the ancillary budget based on the Framework. The motion carried with four abstentions.

### 7.2 Parking Structure Budget

Board members received a working paper and the Capital Project Approval and Control document. The Vice-President (Finance and Administration) explained that the Finance Committee considered the proposal at its meeting a few weeks ago and passed motion recommending the Board's approval.

Governors were informed on the progress of the work and that costs to construct the parking facility had increased substantially primarily as a result of the following issues:

- Expensive sheet piling was required to protect the existing rail bed.
- Premium rates were required to work nights and weekends resulting from delays related to city approvals and the additional sheet piling.
- Expenses related to additional city requirements (flagging, National Fire Protection Association 30, buses running on the weekends, additional specialized consultants).
- Increased costs for project consultant fees. Project management costs and general conditions expenses for the extended and modified implementation process and responding to city requirements.

The total project cost is estimated to be \$34,000,000. The project will be funded through the Parking Services Ancillary budget. The accumulated surplus which is forecast to be

\$9 million in 2013-2014 will be allocated to the project. The balance of \$25 million will be debt-financed over a 30 year period. The Administration will report at a future Finance Committee on the details of the debt financing arrangement for the project.

It was moved by Mr. Wener and seconded by Ms. Daly that the budget and funding for the Parking Facility be approved, as presented. The motion carried with two abstentions.

The Chair informed the Board that he received an amendment to the motion prior to the meeting. This motion requests that the Board authorize hiring an individual to conduct an audit to determine how the \$9 million cost over-run occurred, when it was first known by the contractors and the university, and recommend how the University can avoid recurrence of such problems. The Chair will ask the Finance and Building Program committees to consider this motion, and in the meantime, he asked the Administration to prepare a summary of cost overruns by item.

### 7.3 Completion Reports

Governors received completion reports for the Alumni Hall and MacOdrum Library projects. The Vice-President (Finance and Administration) summarized each report, noting the total project costs.

It was moved by Ms. Porter and seconded by Ms. Gilbert that the completion reports for the Alumni Hall and the MacOdrum Library be approved, as presented. The motion carried.

### 7.4 Terms of Reference for the Finance Committee

The Chair explained that revised terms of reference were submitted to the Board of Governors at its October 8th, 2013 meeting. The Board of Governors directed that Finance Committee have a discussion on the frequency of receiving and reviewing reports on the performance of endowed funds as the Board felt that annually may not be sufficient. Finance Committee discussed the appropriate frequency of receiving reports on the performance of endowed funds and recommends that the language be revised to:

*Twice per year, or upon request, receive and review reports on the performance of endowed funds from the Endowment Investment Committee*

It was moved by Mr. Tattersfield and seconded by Prof. MacNeil that the revised terms of reference for the Finance Committee be approved, as presented. The motion carried.

### 7.5 Statement on Acknowledging the Territory

The President explained that many post-secondary institutions across Canada have formalized a custom of acknowledging traditional territory as this is a sign of respect for

many Indigenous people. She noted that there is a report entitled *Acknowledging the Territory* by the Centre for Aboriginal Culture and Education at Carleton University. The Center works with the aboriginal community to raise the presence of aboriginal issues on campus and academic matters on aboriginal affairs. The report recommends that the following territorial acknowledgement be used during the major events including Board of Governors meetings:

*The Board of Governors acknowledges and respects the Algonquin First Nation, on whose traditional territory the Carleton University campus is located.*

Executive Committee, at its meeting held on November 20<sup>th</sup>, 2013 recommended that the statement appear on Board meeting agendas and minutes, at the top of the first page.

It was moved by Prof. Gorelick and seconded by Ms. Thompson that the statement be approved and that it appear on Board meeting agendas and minutes, as presented. The motion carried with two abstentions.

## **8. ITEMS FOR INFORMATION**

### **8.1 Construction of New Residence**

Governors received a working paper providing an update on the proposal to construct a new residence. The Vice-President (Finance and Administration) explained that Carleton currently has 3,600 residence beds serving a full-time enrolment of 22,000. This represents an average percentage of residence spaces to full-time enrolment at Carleton of about 16%, which is below the average of many universities in the province. According to University policy, all first-year students who are offered admission to the University are also offered a space in residence. This year, 2,718 first-year students are staying in our residences. The University had a waiting list for residence spaces of approximately 700 students this summer.

In July 2013, the University engaged a firm to develop a Request for Expression of Interest for the development of a student residence building on a 1.15 acre site. Ten submissions were received and seven were short-listed seven of the proponent teams for interviews. The results of the interviews were evaluated and the top three proposals were selected to continue to stage two in the selection process. The consultant is currently working with Carleton to finalize the Stage Two Request for Proposal for the short-listed organizations and these will be evaluated by the end of November 2013. The Administration will compare the preferred third-party partner to the more traditional approach of the University financing, designing and managing the construction and bring a recommendation to the Building Program and Finance Committees in December. A member of each of the Building Program and Finance Committees has agreed to participate in evaluating the options. With a decision on the preferred approach in

December 2013, the University would plan to start construction Summer 2014 for substantial completion in July 2016.

## **9. OTHER BUSINESS**

### **9.1 Question Period**

Two questions were submitted:

- 1) Why are senior advisors to the provost not covered by the “Guidelines on appointment by the president of senior academic administrators,” adopted by this board on 17 December 2008?

The Chair responded that, as per Board Bylaws, the Board does not appoint advisors. The guideline does not apply to short term appointments.

- 2) One of President Runte's stated goals for 2012/13 was to "improve overall first-year retention by 1% from 87.4 to 88.4, setting individual targets for each Faculty as follows: FASS: 82.9% to 83.9%, FPA from 86% to 87%, Business: 90.7 %to 91.7%, Science from 87.8% to 88.8% and FED from 93.6% to 94.6%." The cut-off date to count student enrolment of Nov. 1 has passed, so we should have up-to-date statistics available now. Could the president update the board on these numbers, including the faculty numbers, and comment on them in light of the stated goal in the Strategic Integrated Plan to "Meet or exceed the provincial average student retention rate by one per cent."?

The President replied that the retention report will be available in the spring.

There being no further business, the Open Session was adjourned at 6:01 p.m.