

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

Minutes of the 644th Meeting of the Board of Governors
Wednesday, December 4th, 2024 at 3:00 p.m.
Richcraft Hall Room 2440R

PRESENT:	B. Creary (Chair)	P. Dion (Virtual)	S. Mingie
	C. Tessier (Vice-Chair)	G. Farrell	G. Morris (Virtual)
	J. Tomberlin	K. Furlong (Virtual)	L. Newton Miller
	H. Babb	D. Greenberg (Virtual)	J. Nelson
	Y. Bizuneh	J. Greenberg	B. O'Connor (Virtual)
	L. Breen	L. Grussani (Virtual)	M. Shea (Virtual)
	J. Camelon (Virtual)	A. Hamdani (Virtual)	J. Simpson
	J. Carr (Virtual)	N. Laporte (Virtual)	J. Taber (Virtual)
	A. Chan	M. Main	A. Tremblay
	J. Devoe	D. Maseko (Virtual)	P. Wolff (Virtual)

REGRETS:	Y. Baltacioğlu	J. Muthukumar
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STAFF:	M. Bright	R. Goubran	J. Mihalic
	S. Blanchard	C. Khordoc	P. Rankin
	T. Frost	A. Marcotte	K. Solomon
	C. Hobin (Virtual)	D. McNair	A. Urquhart (Virtual)
	A. Goth (R. Secretary)	K. McKinley (Virtual)	

GUESTS:	S. Mason (Virtual)
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OPEN SESSION

1. CALL TO ORDER AND CHAIR'S REMARKS

The Chair called the meeting to order at 3:00 pm and welcomed governors and attendees to the second meeting of the 2024/2025 Board year. She acknowledged the Algonquin First Nation territory on which Carleton University is located and provided a personal land acknowledgement. She welcomed Board members, management, and guests to the meeting and reviewed the meeting protocols for members and observers in person and virtually. She

welcomed D. McNair, the new Vice-President (Finance and Administration), to his first meeting of the Board of Governors.

2. DECLARATION OF CONFLICT OF INTEREST

The Chair asked for any declarations of conflict of interest from the members. None were declared.

3. APPROVAL OF AGENDA

The agenda was circulated in advance.

It was moved by J. Devoe and seconded by H. Babb that the open agenda of the 644th meeting of the Board of Governors be approved, as presented. The motion carried unanimously.

4. APPROVAL OF THE CONSENT AGENDA

The following items were circulated in the open consent agenda for approval: Open Session Minutes from the 643rd Board Meeting and the Statement of Investment Policies and Procedures for the Endowment.

The following items were circulated in the open consent agenda for information: Minutes for the Building Program and Finance Committees, Strive for Sustainability Annual Report 2023/2024, Ongoing Capital and Deferred Maintenance Project Status Report, Update on the 2024/2025 Operating Budget and Status of the Reserves, Update on the 2024/2025 Ancillary Budget, Pension Plan Report, Student Candidate Handbook 2025, Academic Staff Candidate Handbook 2025, and minutes from Senate.

It was moved by A. Tremblay and seconded by S. Mingie that the items in the open consent agenda be approved, as presented. The motion carried unanimously.

5. ITEMS FOR APPROVAL

5.1 Framework for the 2025/2026 Operation Budget

An executive summary and presentation were circulated in advance.

A. Hamdani, Chair of the Finance Committee, introduced the item advising that Finance Committee received the presentation on November 12, 2024 and was recommending the approval of the operating budget planning framework. He noted that the projections were being made during a particularly challenging time and that management had been transparent in the need for institutional changes to avoid continued deficits.

P. Rankin, Provost and Vice-President (Academic), thanked her team for their work and provided a presentation on the context and framework for the 2025/2026 operating budget. The sector had been operating under a number of stressors including the 10%

domestic tuition fee cut and a subsequent tuition fee freeze set by the Ministry of Colleges and Universities, the repeal of Bill 124 leading to adjustments of salaries retroactivity leading to financial pressure, and the constraints and circumstances that have disrupted international student markets. A summary of the Blue-Ribbon Panel on Postsecondary Education Financial Sustainability was shared. Enrolment was expected to remain flat for the foreseeable future.

The 2024/2025 operating budget to projected actuals was shared, including the \$16.7 million adverse tuition variance and a projected operating deficit of \$38.7 million. The 2025/2026 base operating budget projection anticipated an additional international intake decline of 10% for both undergraduate and graduate students and a modest term-limited Provincial operating grant increase. Without any action, a \$70 million operating deficit was expected for 2025/2026, accounting for 14% of the University's total revenue. An analysis of the reserves, amount, and ease of accessibility of those reserves was shared; however, available and potentially available reserves could only cover 54% of the current projected cumulative deficits over the planning horizon.

The main drivers of the increasing structural deficit were stagnant revenue and expense growth. Strategies for addressing the financial situation were presented, with the goal of creating financial sustainability without compromising Carleton's core mission. The Financial Sustainability Framework included:

- Cost Containment Measures: activity-specific such as scholarships, voluntary retirement incentive program, capital project review, and targeted base budget cuts;
- Revenue "Win Back": creating new graduate and undergraduate programs, developing international enrolment strategies;
- Breaking the academic cost/quality trade-off: implementing quarterly progress reports for projects and integrate outcomes into budget reduction strategy; and
- An evidence-based approach to organizational excellence and optimization: continuous improvement program design, implementation, and monitoring.

Management was committed to reporting on the action plans with milestones for each component of the Financial Sustainability Framework over the next two years. Component action plans would take a whole-campus approach and undertake cross-function teams involving vice-presidents and deans. Regular progress updates would be incorporated into the budget update reports presented to the Board throughout the year. She acknowledged that change management would need to consider potential risks, such as operational, human capital, strategic, reputational, and government oversight.

The Planning Framework for 2025/2026 would involve more consultation and internal work than past cycles, involving a larger number of stakeholders and reporting.

A member commented that they appreciated the transparency, communication, and strategic approach. They also asked about the potential implications from the cost

containment measures and the impact of reducing scholarships on recruitment. P. Rankin responded that the revisions to scholarships occurred after sector-wide benchmarking to ensure that any changes would not result in a loss of student enrolments. S. Blanchard, Vice-President (Students and Enrolment), added that Carleton's scholarships were ahead of other universities and the scholarships for 2025/2026 could be scaled back. The scholarship grid for 2026/2027 would be reviewed and any change to scholarships would be such that it would not impact enrolment.

Regarding cost containment, a member asked which areas had the greatest opportunities or challenges. P. Rankin advised that management was looking at their own units, library acquisitions, and expenditures around marketing and communications. It would be a campus-wide approach on both the administrative and academic sides. Position reviews would depend on the take up of the voluntary retirement incentive program.

A member commented on the strength of the framework presented and the openness of management to leverage the expertise of members of the Board. P. Rankin agreed on the importance of transparency not just for the Carleton community but for the wider community as well.

On the recommendation of the Finance Committee, it was moved by A. Hamdani and seconded by S. Mingie to approve Carleton's operating budget planning framework for fiscal year 2025/2026, as presented. The motion carried unanimously.

6. ITEMS FOR INFORMATION

6.1 Overview of Carleton University's Capital Renewal and Deferred Maintenance

An executive summary and presentation were circulated in advance.

A. Tremblay, Chair of the Building Program Committee, introduced the item and Carleton's facilities management strategy. She reminded the Board that an extension of funding towards deferred maintenance was approved by the Board in April 2024.

S. Mason, Senior Account Manager at Gordian Consulting, provided a presentation on the return on physical assets analysis for Carleton. Since 2010, Carleton's enrolment had outpaced the growth in square footage and Carleton was one of the highest density campuses in Gordian's database. Higher-density campuses require additional operational resources and benefit from having more staff to maintain expected service levels and capital programs. Buildings being used at a higher frequency for longer operating hours can experience shortened lifecycles, requiring more frequent investment to avoid deterioration.

The majority of Carleton's supported academic campus was built in the Post-War and Modern eras (1950-1970). Buildings from this era may have lower-quality construction and require frequent repairs, disproportionately drawing on available resources.

Approximately 65% of the buildings on campus were over 50 years old, but Carleton recently made some strides in improving the age profile through the capital investment program and the number of buildings under 25 years old was steadily increasing. Assuming no intervention, the risk of the aging buildings would continue to grow with 81% of campus space projected to be high-risk by 2031. This could be mitigated by continuing a strong capital deferred maintenance program and extending the allocation of funding for investment into the aging campus.

Since Fiscal Year (FY) 2017, the investment had almost doubled with funds going into existing spaces, campus infrastructure, and new construction. Carleton maintained a consistent mix of funding with a balance of investment into new infrastructure investments with significant reinvestment back into the needs of its existing buildings. Carleton's facilities team had made strategic decisions with its funding allocations with the majority of the funding going towards high-risk buildings that were over 25 years old, with the rate of spending exceeding the percentage of space.

To target annual investment, 3% of the replacements value in FY 2022 was \$57.8 million. Based on each building's complexity, size, and function, it would have different life cycle needs. Targeted for Carleton's campus, this would be \$22.2 million for envelope/mechanical and \$30.8 million for space/program, or an annual targeted investment of \$16.7 million for envelope/mechanical and \$10.8 million for space/program. The annual investment target was calculated at \$27.5 million for FY 2022. Carleton would need to consistently invest above its annual investment target if it wanted to stabilize or decrease the backlog of deferred maintenance. With higher inflation, there continued to be a need to catch up on maintenance across campus. In the event of future emergencies or strategic initiatives, reallocation of these resources would impact the continued ability to steward facilities' needs.

A member commented on the use of the term "high risk" campus for buildings over 50 years old given that most organizations would have buildings that fall into this age category. S. Mason responded that Carleton was not alone in its campus risk profile and added that high risk in this context referred to higher risk of capital failures for systems pushed beyond their standard lifecycle.

6.2 Research Update

A presentation was circulated in advance.

R. Goubran, Vice-President Research and International, provide an update on research, speaking to the University's research as an integral part of its core mission. Research generates significant direct and indirect benefits to the University including impacting reputation and ranking, attracting top faculty, staff, and students, and generating resources from grants, funds, and scholarships. He provided information on the Office of the Vice-President (Research and International) and how the team supports research at

Carleton through Carleton International, the Office of Research Ethics, the Office for Research Initiatives and Services, and Industry and Partnership Services.

Carleton's multidisciplinary research strengths included wellness, connectivity, and sustainability. Each research field had its own research impact metrics but all had the ultimate goals of knowledge creation, knowledge mobilization, and impact on society. The most common research performance metrics used by governments, granting agencies, and ranking agencies included external research funding, publications, and impact on the field such as citations. External research funding was used to pay graduate students and researchers, fund labs, collect data, cover the costs of publications and knowledge dissemination. Sources of funding included the Tri-Agency (NSERC, SSHRC, CIHR), governments, industry, and foundations.

In 2023, researchers co-authored 2,799 publications and 113,064 citations, both of which set record highs for Carleton. External research revenue, a proxy for research activities, total \$113.1 million in 2023/2024 and Tri-Agency funding had a three-year average of \$35.2 million. External funding from partnerships including both business enterprise and Mitacs were \$7.1 million and \$3.55 million in 2023, respectively. He highlighted the Holistic Integrated Partnerships with Ericsson and Efficiency Canada as example of the partnerships enabled by Research and Advancement. Two new government mandates were coming online in 2024/2025 including a Commercialization framework and Safeguarding Research by assessing external research funding applications for national security risks.

Research priorities included sustaining the increase in research productivity and external research funding by improving support to researchers, empowering multi-disciplinary collaborations, strengthening international research activities, and expanding community engagement. Carleton would continue to maintain full compliance with all existing and new government mandates related to research and would build reputation through nominations to honours and awards, optimizing submissions to ranking agencies, and celebrating successes.

A member asked how Carleton compared to peer institutions in terms of citations. R. Goubran responded that citations were a lagging indicator and that Carleton was lower than some peers, but catching up.

A member asked how the structure of OVPRI changed since 2016. R. Goubran responded that OVPRI was previously the Carleton Research Office and Carleton International, prior to the restructuring to better match the needs of researchers.

A member asked about the cost-containment and cost-recovery overhead charges. R. Goubran responded that Tri-Agency funding had no overhead and provides research support funding; however, contracts from industry partners or governments are charged overhead of approximately 20%.

6.3 Report from the Chair

The Chair thanked all members for their work and time during the Fall 2024 Board and Committee meetings. She advised that the applications for Board Award for Outstanding Community Achievement and Founders Award were open and encouraged members to nominate deserving individuals and to spread the word among their colleagues. She advised that a call for four Community-at-Large positions went out on December 2nd with a comprehensive communication plan to recruit for potential members with government relations, cybersecurity, strategic use of AI for business, and capital planning. Calls for expressions of interest for students and academic staff governors would take place in the Winter 2025 term.

6.4 Report from the President

J. Tomberlin, Interim President and Vice-Chancellor, reported that Fall Convocation took place on November 9, 2024 with over 1,200 graduates and an honorary degree awarded. He welcomed D. McNair, the new Vice-President (Finance and Administration), to his first meeting of the Board of Governors and thanked A. Marcotte for serving as interim. He advised that Carleton's new General Counsel, R. Sinclair, would be starting on January 6, 2025.

He highlighted a number of recent University achievements as follows:

- Carleton launched its new Nursing Program with the Queensway Carleton Hospital on November 5, 2024;
- The University was named a Canada's Top 100 Employer for the third consecutive year;
- Carleton rose to No. 4 in Canada (No. 2 in Ontario) on the Macleans list in the comprehensive category;
- Giving Tuesday (December 2nd) saw over \$581,000 raised; and
- December 6th would mark the National Day of Remembrance and Action on Violence Against Women.

6.5 Committee Chair Updates

6.5.1 Building Program Committee

A. Tremblay, Chair of the Building Program Committee, advised that the Committee met on November 12, 2024. They reviewed the Capital Planning Policy to ensure that the Board and its committees were receiving the appropriate planning documents. The policy would undergo further revision and return to Building Program as well as Finance Committee in February.

The Committee also received an update on the Strive for Sustainability Annual Report 2023/2024. The year saw continued progress on the University's sustainability

plan, with notable projects underscoring Carleton's commitment to reducing carbon emissions, enhancing biodiversity, and expanding community engagement through education and collaboration.

The final item for information was the Ongoing Capital and Deferred Maintenance projects. Projects totaling \$250,622,657 were underway, with the value of work completed by September 2024 amounting to \$123,096,932. Notable updates since the last Building Program Committee meeting included the start of work on the Loeb Building Envelope Remediation and Replacement Project, the closure of all tenders for the New Student Residence (Rideau House) project, the opening of the Teraanga Commons Dining and Kitchen Expansion space in September, which was in the deficiency completion phase, and the demolition of P9 Parking Garage.

6.5.2 Finance Committee

A. Hamdani, Chair of the Finance Committee, advised that the Committee met on November 12, 2024, approving the framework for the 2025/2026 operating budget as noted above. Other items included:

- The approval of the Statement of Investment Policies and Procedures for the Endowment (dated June 30, 2025);
- On the recommendation of the Investment Committee, reviewed and approved a new asset mix for the General Endowment to achieve a return exceeding the target while maintaining acceptable risk levels;
- A review of the 2024/2025 Operating Budget and Reserves. Domestic first-year student intake exceeded targets, while international student intake significantly declined. Savings were identified in renovations, acquisitions, enrolment incentives, and undergraduate support. An additional \$12.5 million draw on reserves may be needed; and
- 2024/2025 Ancillary Budget: Ancillary units are expected to generate enough revenue for services and future capital improvements. The original \$7.8 million surplus draw for the P9 parking garage demolition was reduced to \$6.6 million due to a positive \$1.2 million variance. The overall Ancillary Budget was maintaining a \$34.3 million surplus.

The Committee also received updates on the Pension Plan (\$1.7 billion), which was in strong standing but subject to ongoing risks, and a report on the Ongoing Capital and Deferred Maintenance Project Budget.

A member asked about the financial governance associated with the bond that would be at risk given the current financial situation. A. Marcotte responded that a reserve had been established and the amount was set aside in the operating budget to service the bond.

7. OPEN-OTHER BUSINESS

No other business was brought forward.

8. OPEN-QUESTION PERIOD

No additional questions were brought forward.

9. END OF OPEN SESSION AND BRIEF NETWORKING BREAK

There being no further business, the Open Session of the Board of Governors was adjourned at approximately 4:34 p.m.