

**CONSENT AGENDA
to the Open Agenda of the 635th Meeting of the Board of Governors**

**Monday, April 24th, 2023
Richcraft Hall 2440R**

4.1 ITEM(S) FOR APPROVAL

4.1.1 Approval of minutes of the previous meeting

MOTION: That the Board of Governors approves the open minutes of the 634th meeting of the Board of Governors, as presented.

4.1.2 Statement of Investment Policies and Procedures for the Retirement Fund

MOTION: On the recommendation of the Finance Committee, that the Board of Governors approves the Statement of Investment Policies and Procedures for the Trust Fund created under the Carleton University Retirement Plan, dated June 30, 2023, as presented.

4.1.3 Statement of Investment Policies and Procedures for the Endowment Fund

MOTION: On the recommendation of the Finance Committee, that the Board of Governors approves the Statement of Investment Policies and Procedures (SIPP) for the Endowment Fund (the Fund), dated June 1, 2023, as presented.

4.1.4 Responsible Investment Policies for the Endowment and Non-Endowed Funds

MOTION: On the recommendation of the Finance Committee, that the Board of Governors approves the Responsible Investing (RI) policies of the Endowment and Non-Endowed Funds, as presented.

4.1.5 Responsible Investment Policy for the Retirement Fund

MOTION: On the recommendation of the Finance Committee, that the Board of Governors approves of the Responsible Investing (RI) policy of the Retirement Fund, as presented.

4.1.6 Board Award for Outstanding Community Achievement Recipient

MOTION: On the recommendation of the Board Award Jury and Advancement and University Relations Committee, move to approve Dakota Livingston as the recipient of the Board of Governors Award for Outstanding Community Achievement for 2022/23 academic year, as presented.

4.1.7 2023/2024 Miscellaneous Administrative Fees

MOTION: On the recommendation of the Finance Committee, that the Board of Governors approves the Miscellaneous Administrative Fees to be implemented May 1, 2023, as presented.

4.1.8 2023/2024 Student Association Fees

MOTION: On the recommendation of the Finance Committee, that the Board of Governors approves the 2023-24 Student Association Fees, as presented.

4.2 ITEM(S) FOR INFORMATION

4.2.1 Committee Minutes

- a) Building Program Committee
 - February 22, 2023 Meeting Minutes
- b) Finance Committee
 - February 22, 2023 Meeting Minutes
- c) Advancement and University Relations Committee
 - January 17, 2023 Meeting Minutes

4.2.2 Ongoing Capital Projects Status Report & Capital Renewal (Deferred Maintenance)

4.2.3 Capital Renewal (Deferred Maintenance) Plan for 2023 – 2024

4.2.4 Short-Term Parking Strategy

4.2.5 Greenhouse Gases and Carbon Budget

4.2.6 Carleton University Energy Master Plan Update

4.2.7 2021/2022 Provincial Metric Ratios

4.2.8 Investment Report on the Endowment

4.2.9 Advancement Strategy 2022/2023 Update

4.2.10 Reputational Enhancement Project & Brand Campaign Update

4.2.11 Government Relations Update

4.2.12 Minutes from Senate

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

Minutes of the 634th Meeting of the Board of Governors
Thursday March 9th, 2023 at 3:00 p.m.
Richcraft Hall Room 2440R

PRESENT:	G. Farrell (Virtual)	M. Gillis	L. Newton Miller (Virtual)
	B. Creary (Vice-Chair)	D. Greenberg (Virtual)	B. O'Connor
	B.A. Bacon	L. Grussani	J. Ojangole
	A. Chan	L. Hayes	P. Smith
	P. Dabas (Virtual)	L. Honsberger (Virtual)	C. Tessier
	P. Dion	N. Karhu	A. Tremblay
	K. von Finckenstein (Virtual)	A. Keung	A. Ullett
	D. Fortin	A. Khoyani	P. Wolff (Virtual)
	K. Furlong (Virtual)	D. Maseko	
		S. Mingie	
REGRETS:	Y. Baltacioğlu	M. Fraser	A. Hamdani
	J. Taber		
GUESTS:	N. Flach	S. Eyob	
STAFF:	S. Blanchard	A. Goth (R. Secretary)	A. Marcotte
	M. Bright	R. Goubran	K. McKinley (Virtual)
	J. Conley	C. Khordoc	K. Solomon
	L. Dyke	K. Mann	J. Tomberlin
	T. Frost	N. Afouxenidou	

OPEN SESSION

1. CALL TO ORDER AND CHAIR'S REMARKS

The Vice-Chair called the meeting to order at 3:00 pm and welcomed governors and attendees to the meeting. The Vice-Chair acknowledged the Algonquin First Nation territory on which Carleton University is located. She advised that a naming ceremony took place for the Nideyinàn Building (formerly the University Centre) on February 14th and reviewed the meeting protocols for those members attending in-person and remotely.

2. DECLARATION OF CONFLICT OF INTEREST

The Vice-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 requested that item 5.2 be moved to 5.1.

It was moved by P. Smith and seconded by C. Tessier that the open agenda of the 634th meeting of the Board of Governors be approved, as amended. The motion carried unanimously.

4. APPROVAL OF THE CONSENT AGENDA

The following item was circulated in the open consent agenda for approval: Open Session Minutes from the 633rd Board Meeting.

The following items were circulated in the open consent agenda for information: November meetings minutes of the Building Program and Finance Committees, the Actuarial Valuation and Funding of Carleton University Retirement Plan, Ongoing Capital Projects and Capital Renewal Status Report, an Update on the Transportation Plan and Parking Strategy, the 2022/23 Operating Budget Update and Status of Reserves, and Minutes from Senate.

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

5. ITEMS FOR APPROVAL

5.1 New Student Residence - Update

An executive summary, presentation, and updated business plan were circulated in advance.

A. Tremblay, Chair of the Building Program Committee, introduced a revised budget for the New Student Residence with project costs of an estimated \$98 million with an \$8 million contingency for a total revised estimate of \$106 million. The cost of building the new 450-bed residence has increased due to supply costs, materials, supply chain delays, inflation, and labour disruptions. The team has worked with the construction manager to reduce costs and to keep the project schedule. There is strong demand for student housing.

P. Dion, Chair of the Finance Committee, added that funding for the project is from three sources: \$10 million from the University's capital reserve, \$80 million from the University's debenture to be paid over a 40-year term at an interest rate of 3.5%, and \$16 million from an internally financed loan. The total annual debt-servicing costs are

projected to be \$3.8 million at the time of project completion and will be reviewed periodically. He reminded the Board that the New Student Residence will be revenue generating for the University. In the first year of its operations, the overall housing system is expected to generate an operating surplus of approximately \$200,000 which will offset the furniture fit-up costs of about \$3 million from the Housing accumulated surplus.

Board members became aware of a group representing the CUPE 4600 union making their presence known outside of the meeting room. The Vice-Chair invited representatives into the meeting to address governors briefly, after which the meeting resumed.

G. Nower, Associate Vice-President (Facilities Management and Planning), provided a presentation on the 456-bed, 188,000-square-foot new student residence. The building is designed to promote and enhance a student-focused residential community experience and incorporates Passive House Design principles to achieve a high level of sustainability. Concrete is now being poured and the project is on schedule with a projected occupancy date of April 2025.

Some of the market challenges include trade shortages and supply chain issues, rise in labour, material, and fuel costs, as well as a saturated construction market in Ottawa. Construction challenges include labour disruptions, unforeseen site conditions, and piling issues which have now been resolved. Mitigation measures for schedule delays and cost increases include the use of design review, which involves working with the architects to simplify constructions details while respecting the integrity of the design. Carleton is collaborating with sub-contractors, through design assist, to find cost-effective solutions and identifying opportunities for overlapping activities to save time. Carleton is involving industry experts on risks and cost consultants to ensure design and cost efficiency and to offer an impartial perspective.

S. Blanchard, Vice-President (Students and Enrolment) addressed the financial impacts of the new student residence. There are three sources of funding for the building including a \$10 million down-payment from the University Capital Reserve, \$80 million from the debenture. Between \$8-16 million is projected for an internal loan at prime plus 0.5% over 40 years. Revenues for the new residence are projected to be \$3.8 million annually and incremental facility operating costs (such as staffing and maintenance) are built into the Housing System's financial plan. Any excess in expense over revenue will be funded by the Housing System.

High-level projections for revenue include an anticipated \$34 million in 2025/26 and 3% annual increases thereafter. Expenses are anticipated to be \$33.8 million in 2025/26 for debts and deferred maintenance, which is projected to remain at that level for the next four years. The debt for the new residence including the bond and Interest Free Loan (IFL) is revised to \$4 million in 2025/26 going up to \$4.5 million thereafter until 2029/30. Approximately \$35 million, or approximately \$5 million a year is set aside for

deferred maintenance for the housing system over the next five years. A furniture fit-up for of \$3.0 million is expected for 2025/26 and overall the accumulated surplus by 2029/30 is expected to be \$23.5 million.

The Housing System debt repayments are decreasing, including the closing of mortgages for Leeds in 2026, Prescott-Russell in 2027, Frontenac in 2028, and Lennox and Addington in 2029. She reiterated that the delivery of the project is projected for Fall 2025. The rising costs have been contained to \$98 million with an additional \$8 million to be held in contingency against further escalation and a strong financial position of the Housing System will absorb cost increases.

On the recommendation of the Building Program and Finance Committees, it was moved by P. Dion and seconded by A. Tremblay to approve the new Student Residence updated Implementation Report at a total project cost not to exceed \$106 million, as presented. The motion carried unanimously.

5.2 2023/24 Ancillary Budget

An executive summary, report, and presentation were circulated in advance.

P. Dion introduced the item advising that the Finance Committee reviewed and recommends the approval of the 2023/24 Ancillary Budget. The ancillary units are expected to generate sufficient revenues to fund the cost of providing services in addition to funding reserves for future capital improvements. The proposed budget contained increased rates and fees, where applicable. The financial impact of the COVID-19 pandemic on the ancillary reserves was significant with some units projecting a deficit position for 2022/23. The current financial projections indicated that revenue for 2023/24 will be approaching pre-pandemic levels at approximately \$70 million, operating transfer expenses of \$48.9 million, and \$21.8 million has been earmarked for renovations and debt reduction.

S. Blanchard thanked K. Mann, Controller, and L. Goudie, Manager of Accounting and Financial Reporting, for their work in preparing the Ancillary Budget for 2023/24. She advised that the Ancillary Units provide diverse services all of which are integral to the University experience for Carleton students and campus.

Ancillary units are expected to generate sufficient revenue to fund the cost of providing services. While the pandemic had a significant impact on most ancillary units, 2022/23 will see close to pre-pandemic operating and demand for services. The largest ancillaries are undergoing deferred maintenance assessments and necessary work will be prioritized. For 2022/23, initially a small deficit of \$2.7 million was budgeted; however, \$4.5 million in surplus revenues are now projected. By the end of 2023/24, it is anticipated that the

ancillary portfolio's surplus will grow to \$29.5 million and that surpluses will be used to help address deferred maintenance and to reinvest in services.

Housing and Residence Life is the largest ancillary unit. In 2022/23, residence occupancy was at approximately 96%, just below the 98% pre-pandemic level. Construction is underway on the new student residence with a planned opening of Fall 2025 and Conference Services has returned to hosting live events. For 2023/24, Housing is projecting 98.5% occupancy, a proposed a residence fee increase of 5%, and deferred maintenance budgeted at \$5.5 million. Overall, there are improved revenues for Housing, noting that increased expenses between 2022/23 and 2023/24 were due to increased staffing and cleaning as activities increase on campus. The budget projecting an accumulated surplus of \$11.8 million.

In a normal year, Dining Services operate 17 locations; however, staffing shortages have meant that several retail locations opened later than planned or remain closed. Meal Plan revenue remain strong and the deficit will be eliminated in 2022/23. Strong demand for meal plans are expected and stronger business over the summer from Conference Services. Dining has increased capital spending for 2023/24 and are looking at other contractual retail investments.

Physical Recreation and Athletics experienced a return to full activity on campus as well as the completion of the schematics and renderings for the Regional Aquatics Centre and Wellness Hub. Revenues for 2022/23 were slightly above budget at \$15 million. The projected accumulated deficit for 2022/23 is \$2.2 million.

Health and Counselling Services demand remains strong. Visits have doubled since 2018 with 55,000 visits in 2022 compared to 26,000 in 2018. In 2023/24, revenues are expected to increase slightly to \$4.3 million but expenses will also be higher to ensure that staffing increases to meet the needs of the community, particularly for mental health support, and investment in a new medical records system. The number of counsellors increased during the pandemic and are being kept on through 2023/24.

Bookstore revenues have increased but remain lower than pre-pandemic levels as sales of textbooks continue to decline. Over the pandemic, there was a decrease in printed materials on campus. Negotiations are underway for the printer fleet on campus to appropriately reflect the needs of the University. The Bookstore has also faced some challenges with respect to decreased textbook purchases and the University continues to monitor sales to see what changes are needed.

Parking Services continues to look at short-term and long-term parking solutions and involve OC Transpo while also looking at off-campus sources of parking to address ongoing capacity concerns. Parking is planning for a small deficit for 2023/24 and the P9

Parking Garage will need to be decommissioned in May 2024 at a cost of \$5 million. Rates are being reviewed annually to support reinvestment in parking. An increase in parking rates of 10% is proposed for 2023/24 to bring fees closer to market rates elsewhere in Ottawa and finance deferred maintenance.

Blanchard highlighted the fees that will be increased to meet the different operating costs. There will be a 5% increase for residence accommodations, which will allow fees to remain competitive with other higher education institutions in Ontario. A 6% increase is proposed for the meal plan, which is below CPI and competitive with other Ontario institutions. The Student Athletic Fee will increase by 6.9%, inline with CPI. A parking rate increase of 10% is proposed to offset the increase in operating and maintenance costs and to move the fee closer to the market rates.

Overall, the ancillary portfolio is expected to return to pre-pandemic revenues and return to financial sustainability. There are a few smaller ancillary units that will need to be monitored closely but given the strong financial plan presented, the team was comfortable with the proposed budget.

A member commented on the increased demand for residence housing and wondered if it is tied to the cost of housing more broadly and if so, if a greater than 5% increase in the residence fee could be tolerated. S. Blanchard advised that they do not want to increase residence fees to substantively as student affordability needed to be maintained. However, the Housing System needs to remain in a strong financial position and remain competitive.

A member asked about a Bookstore. S. Blanchard responded that the University is monitoring the Bookstore's recovery since the return to full activities on campus. The Bookstore is looking at different ways service models and considering future priorities.

On the recommendation of the Finance Committee, it was moved by P. Dion and seconded by N. Karhu to approve Carleton's 2023-24 Ancillary Services budget, as presented. The motion carried unanimously.

6. ITEMS FOR INFORMATION

6.1 Campus Master Plan - Draft

An executive summary, presentation, and draft plan were circulated in advance.

The Chair welcomed N. Flach and S. Eyob from Brook McIlroy Architects (BMI), consultants on the renewal of the Campus Master Plan.

L. Dyke, Vice-President (Finance and Administration), advised the Board of the extensive consultation process to date. Based on the feedback received, eight themes

emerged. BMI has developed nine guiding principles that have helped form the draft Campus Master Plan Update. A final version will be presented to the Board of Governors in April 2023.

N. Flach provided a presentation on the draft Campus Master Plan Update and the key design directions. S. Eyob reviewed the timeline with the Board and highlighted the consultations that took place with the campus community as well as next steps in the process.

N. Flach advised that themes of sustainability, natural systems, accessibility, transportation, and building design emerged from the consultations process. The campus design framework includes the following five “Big Moves”:

- 1) Green Ribbon and Geological Time Trail;
- 2) Flexible Campus Streets, Campus Gateways, and Pedestrian Network;
- 3) Tunnel Improvements and Expansions;
- 4) Restoration of Riparian Habitats and Stormwater Management; and
- 5) Potential Building Enhancements, Expansions, and Developments.

Three precincts were highlighted as potential areas of development including community and City of Ottawa partnerships in the north campus. Increased informal collaborative spaces are a focus for the west campus, such as the proposed Mackenzie Atrium and the Nideyinàn (formerly the University Centre) expansion and renovation to enhance accessibility and creating informal social and study spaces. The east campus precinct is an area of growth, such as the possible Wellness Hub, the mixed-use transit hub, as well as potential sites for new buildings. The potential for mixed use spaces on campus can further Carleton’s integration with the City of Ottawa and region.

The Plan is intended to be flexible in fulfilling short-term University needs while planning for responsible, long-term future growth and development on campus. An updated package will be returning to the full Board in April 2023 and will incorporating feedback received.

A member asked how this plan compliments the Strategic Integrated Plan (SIP) and if there was a way to capitalize on this from a reputational perspective. L. Dyke responded that Carleton campus has been shaped by the SIP and that students care about the physical campus. When students attend campus in person, the likelihood of recruitment increases significantly. T. Frost, Chief Communications Officer and Associate Vice-President (Communications and Public Affairs), responded to the member that this is an exciting vision for an even more spectacular campus and this can get woven into the narrative for students, donors, and partners.

A member inquired if there are any plans to connect campus across the Rideau Canal to access the Experimental Farm and Arboretum greenspace. The member also inquired about the plans for informal collaborative space noting that many of the proposed

building expansions included glass and if this would be sustainable given the Ottawa climate. N. Flach responded that the team is working with the City of Ottawa and the National Capital Commission on a plan for over the canal, near the locks and there is schematic mapping for these bridges. N. Flach advised that at this stage in the planning process, a number of the schematics show glass on buildings for visual representation. Glass is important for collaborative spaces by integrating natural light but also must consider the direction the building faces for building envelopes.

A member commented on the proposed upgrades to the tunnel system and if the artwork on the current tunnel walls from campus clubs and residences will be preserved and if there is an opportunity for more artwork in the tunnels. N. Flach responded that the location where the murals have been integrated are the liveliest and most-loved sections of the tunnel system. Artwork is an opportunity to humanize the tunnels and lighting can enhance the tunnels. The tunnels were originally built with industrial lighting assuming more mechanical use and introducing natural or improved artificial light can enhance the space.

A member inquired about the four-season walkability of the outside trails and wondered about use during the winter and plans for Parking Lot 1 on campus. N. Flach responded that the plan for the trails will be to focus on making them accessible such as by paving paths to allow for clearance in the winter to allow for bike and pedestrian use. In response to the parking question, N. Flach responded that the plan is to improve traffic flow by moving vehicles off the central spine of Campus Avenue while allowing for access to all parts of the campus. In the long-term, things will shift as surface parking is eliminated.

6.2 Research Update

A presentation was circulated in advance.

B.A. Bacon, President and Vice-Chancellor, outlined that research is a key pillar of the University's mission and one of the main drivers of Carleton's reputation. Since 2018, Carleton's research has increased in terms of funding, productivity, and impact with Carleton's funding increasing by 79% over the past four years. He noted it is a team effort which includes researchers and research teams, students, Deans, research facilitators and all units in the University that support research. He added that the success of research at Carleton is driven by Vice-President (Research and International) R. Goubran.

R. Goubran, provided a presentation, advising that research is central to Carleton's mission as a university, impacting reputation and ranking. Research allows Carleton to attract top faculty, students, and staff and generates funding. Carleton has two broad and multidisciplinary research clusters: wellness and sustainability. The University has overarching core values that span across all disciplines such as respect toward equity, diversity, and inclusion, and reconciliation with Indigenous people. The University also has cross-disciplinary strengths in entrepreneurship, public policy, and data science.

Each research field has its own research impact metrics and the ultimate goal is knowledge creation, knowledge mobilization, and societal impact. The most common research performance metrics used by governments, granting agencies, and ranking agencies are external research funding, publications, and impact on the field and society. New principles are emerging such as the San Francisco Declaration on Research Assessment (DORA).

External research funding is used to pay graduate students and postdoctoral fellows, fund research labs, cover the cost of publications, conferences, and knowledge dissemination. This funding comes from the Tri-Agencies, Natural Sciences and Engineering Research Council of Canada (NSERC), Social Sciences and Humanities Research Council (SSHRC), and Canadian Institutes of Health Research (CIHR), governments, industry, and foundations. Success for funding from the Tri-Agencies is also a measure of the quality of research projects and impacts the number of Canada Research Chairs (CRCs) and Canada Foundation of Innovation (CFI) funding envelope. In 2022, a number of Carleton researchers received prestigious awards including Lenore Fahrig winner for the NSERC Gerhard Herzberg Canada Gold Medal for Science and Engineering, Steve Cooke, named as a Fellow of the Royal Society of Canada, and Peter Liu was named to the Highly Cited Researchers list.

In January 2023, Re\$earch Infosource released their annual research statistics and Carleton's external research income has reached more than \$97 million, an increase of 79% over the last four years. Due to the increase in Carleton's research funding, the University was allocated four additional CRCs. In the 2023 CIHR competition, Carleton's researchers were awarded over \$3 million, which is a record in terms of both number of awards and total value awarded.

R. Goubran shared a number of Carleton's research metrics including an increase the number of publications, setting new records every year since 2019. Carleton's three-year average for external research revenue, a proxy for research activity, has increased every year since 2018. Compared to other comparable institutions across Canada, Carleton ranked second in terms of research income growth between 2017 and 2022. Carleton demonstrated strong growth from Tri-Agencies Funding with a 2022 three-year average of \$33.6 million, bringing \$5.85 million in Research Support Funds (RSF) in 2022. The RSF impacts the indirect costs of research, such as overhead costs for Central, the Office of the Vice-President Research and International (OVPRI), Faculty, Unit, and Researchers. Industry funding has risen over the past three years up to \$6.7 million in 2022 mainly due to the holistic integrated partnership initiative between OVPRI and Advancement. Industry funding is also matched by organizations like Mitacs, for an added \$3.47 million in 2022.

Research partnerships include the multi-million dollar investment with Ericsson which includes 23 faculty members, 501 co-op work terms, 36 graduate students, and eight Ericsson Fellows. The partnership has leveraged \$1.8 million in funding from

government sources. The Ericsson Research Chair in 5G wireless has been finalized and includes 12 ongoing projects. A partnership with efficiency Canada focuses on energy efficiency policy and implementation and is supported by several organizations such as McConnell, Ivey, Trottier, Global Affairs, and NRCan.

In 2023, there will be two new government mandates as part of the Strategic Mandate Agreement (SMA3) with the Province of Ontario. The Ontario Government issued its Commercialization Mandate Policy Framework, requiring each university to come up with a well-defined policy to improve commercialization outcomes. The Federal and Provincial Governments now require universities to assess external research funding applications from a national security risk. Carleton was awarded \$271,000 per year for five years to administer this new program.

Carleton's research priorities for 2023/24 will be to sustain the increase in research productivity and external research funding, enhance post-award support to researchers, build reputation, strengthen international activities, expanded community engagement and partnerships, support multidisciplinary collaboration, and promote the University's core values across all of its activities.

A member inquired about the work being done with respect to international partnerships. R. Goubran responded that there are both opportunities and challenges with respect to internationalization. There are opportunities for more international collaborations, especially with European partners, and Carleton is looking to establish more partnerships with the EU Framework. The University is also looking to partnerships in South America. He noted the need to be careful regarding international security concerns. He agreed that funding cannot continue growing at its current rate but noted that the figures are presented on a three-year average to account for the ups and downs in funding. A. Goth, University Secretary, advised that a presentation on Internationalization will be provided at the next Board Meeting.

A member wondered if an open houses could take place to promote the research activities campus, high school students and the general public could be invited as a way of attracting student. R. Goubran advised that this is something the OVPRI can look into and agreed it is important for Carleton students to know what is happening in other disciplines across campus.

A member asked how OVPRI staffing and infrastructure are keeping up with the growth in research funding. R. Goubran responded that it is important to not just bring the funding to Carleton but also to be able to administer and deliver resources. The budget process has allowed for post-award service for the Research Office. The Research Support Fund is also available to help researchers and there is reinvestment in terms of providing service. He noted that there is often a time lag from the arrival of the funding to when the research activities take place but Carleton is doing its best to accommodate and continue growth.

6.3 Report from the Vice-Chair

A verbal report was provided.

The Vice-Chair congratulated governor K. von Finckenstein on his appointment as a member of the Order of Canada and M. Porter on her appointed as a Justice of the Peace for Ottawa, which unfortunately has meant that she has resigned from her position on the Board. She congratulated undergraduate student governors, M. Gillis and J. Ojangole, who will be returning for the 2023/24 Board year. Governor A. Chan received the 2023 Research Achievement Award for his research focusing on deep learning methods to identify ganglion cells to assess Hirschsprung disease.

The Advisory Committee on the Provost has been established to start the search for the next Provost and Vice-President (Academic). G. Farrell and M. Gillis from the Board are on the search committee and the advertisement is out in the field. A short survey has been sent to the community to seek input on the opportunities and challenges for the new Provost as well as the qualities and experience the committee should be seeking.

She advised that Board of Governors Award for Outstanding Community Achievement is open for nominations and the Founder Award nominations are also open until the end of March.

6.4 Report from the President

A written report was circulated in advance.

The President provided a verbal report advising that the semester is now one month away from the end of classes. He noted that the three-year anniversary of the COVID-19 pandemic is approaching and the University continues to monitor the situation. He reiterated the success of Carleton's research funding at \$97.4 million and that Carleton was recognized as a Top 100 Employer in Canada.

Other highlights from the President's verbal report included:

- February was Black History Month with events taking place on and off campus. He highlighted the round-table led by the Carleton Black Entrepreneurship Knowledge Hub;
- University Commons was renamed to Teraanga Commons and the University Centre was renamed to Nideyinàn;
- The operating budget is being developed;
- Domestic student enrolment for Fall 2023 is projected to be up 3.4% but there are still unknowns regarding the government's ability to issue international student visas;
- Valerie Turner has been appointed the new Associate Vice-President (ITS) and Chief Information Officer (CIO) with the retirement of Marc Dabros; and

- Carleton’s men’s and women’s basketball teams are in the National Championships.

6.5 Committee Chair Updates

6.5.1 Advancement and University Relations

K. Furlong, Chair of the Advancement and University Relations Committee advised that the Committee met on January 17th, 2023. The Committee received a presentation from J. Conley and the Advancement Team, who indicated that fundraising is on track towards the \$40 million target. She encouraged Board members to look at the FutureFunder platform to find a passion project they can support and champion. An update was received from T. Frost on the Reputational Enhancement project. The first phase of the project is complete, and results were above target in terms of engagement. Phase 2 will target prospective students with the goal of conversion into applicants. Carleton will be hosting the Challenge Conference on May 10, 2023 on the topic of Global Mental Health. Lastly, the Committee received an update on the Carleton Dominion Chalmers Centre.

6.5.2 Building Program

A. Tremblay, Chair of the Building Program Committee advised that the Committee met on February 17, 2023. In addition to discussing the New Student Residence Budget Update and the Campus Master Plan draft, the Committee received for information an update on the transportation plan implementation as well as the parking strategy. Implementation of the strategy since 2019 included an additional exit at Stadium Way, the introduction of the round-about at University Drive, sidewalk rehabilitation, new bike storage, and the installation of electrical vehicle charging stations. Future projects include improvements to pathways and sidewalks, tunnel connections, lighting and emergency stations. The Committee also discussed the current and short-term parking challenges with the upcoming de-commissioning of P9 and had a preliminary discussion about solutions.

The Committee also received a report on the ongoing capital projects and capital renewal. Highlights of current projects included upgrades to the Loeb Building such as plans for solar cladding with cost-saving and revenue generating opportunities, as well as offsetting Carleton's carbon footprint and help in attaining sustainability targets. Paterson Hall upgrades are underway including waterproofing to the quiet rooms and podium repairs as well as infrastructure improvements to the Paterson Hall Quad Areas.

6.5.3 Finance

P. Dion, Chair of the Finance Committee, advised that the Committee met on February 22nd, 2023 to approve three main items. Two of the items, the New Student Residence Budget Update as well as the 2023/24 Ancillary Budget, were presented earlier to the Board. The third item for approval was the Actuarial Valuation and Funding of Carleton's Retirement Plan which was included in the consent agenda. Legislation requires an

actuarial valuation of the Retirement Plan every three years. The valuation was prepared for the period ended June 30, 2022 by Mercer which showed the plan is 106% funded on a going-concern basis with a surplus of \$51 million and 108% funded on a solvency basis with a surplus of \$71 million. The Plan is fully funded and therefore no special payments are required. The Finance Committee approved the valuation and it will be filed with the Financial Services Regulatory Authority and CRA.

The Committee also received four items for information:

1. An update on the current year operating budget which indicate that a balanced budget will be achieved, despite a \$14.5 million shortfall in tuition revenue;
2. An update on the current year reserves which shows a projected decrease in total reserves of \$40 million mainly due to capital projects and deferred maintenance. They key financial metrics for the sector still indicate Carleton will remain above the sector average for medium sized Ontario universities;
3. An update on the development of the 23/24 operating budget which remains on track to come to the Board for approval in April 2023; and
4. An update on the ongoing capital projects status and capital renewal projects which total \$180 million and are all on track from a budget perspective with no deficits or surpluses predicted at this time.

7. OPEN-OTHER BUSINESS

7.1 Advisory Committee on the Provost and Vice-President (Academic)

B. Creary advised that the Provost Advisory Committee requires the appointment of a Community-at-Large representative of the Board to serve on the Committee for the Provost search, which is currently under way. Chair of the Board, G. Farrell, has indicated his willingness to serve in this role.

It was moved by B. Creary and seconded by A. Tremblay to elect Greg Farrell as the Community-at-Large member of the Board to serve on the Advisory Committee on the Provost and Vice-President (Academic), as presented. The motion carried with one abstention.

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 5:15 p.m.

To:	Board of Governors	Date of Report: 20 March 2023
From:	Finance Committee	Date of Meeting: 24 April 2023
Subject:	Statement of Investment Policies and Procedures for the Retirement Fund	
Responsible Portfolio:	Vice-President (Finance and Administration)	

1.0 PURPOSE

For Approval For Information For Discussion

2.0 MOTION

On the recommendation of the Finance Committee, move to approve the Statement of Investment Policies and Procedures for the Trust Fund created under the Carleton University Retirement Plan, dated June 30, 2023, as presented.

3.0 EXECUTIVE SUMMARY

The Pension Benefits Act of Ontario requires that a Statement of Investment Policies and Procedures (SIPP) be established for every registered pension plan. The SIPP must be reviewed and approved annually. This annual process is part of the governance process in place to ensure that the assets of the Retirement Fund are invested prudently and effectively to support the goal of the Retirement Plan to assist Plan beneficiaries in attaining a financially secure retirement income at a reasonable cost.

The SIPP is filed with the Financial Services Regulatory Authority of Ontario (FSRA), formerly the Financial Services Commission of Ontario (FSCO).

4.0 INPUT FROM OTHER SOURCES

The draft SIPP, effective June 30, 2023, has been reviewed and recommended by the Pension Committee.

5.0 ANALYSIS AND STRATEGIC ALIGNMENT

The university is the sponsor of the Plan. Per the governance structure of the Plan, the Finance Committee and Board of Governors are required to approve certain decisions of the Pension Committee. One of these is a recommendation to approve the SIPP.

The SIPP is the document that formally outlines the investment policy for the \$1.5 billion Retirement Fund (the Fund). In particular, it defines the asset mix policy for the Fund, rate of return expectations, and categories of eligible investments. It also sets out the mandates for the Fund's investment managers.

The Pension Committee reviews the SIPP annually. The SIPP was approved by the Pension Committee at its meeting on March 15, 2023.

There were some changes to the SIPP this year. Of most significance, is the addition of real estate to the asset mix in Section 5.1. This asset class was added following an Asset Liability Study that was completed in 2021 by the Pension Committee, in consultation with an investment consultant. The benchmark for real estate and infrastructure will be CPI+4%. This was the recommendation of the investment consultant and is in line with Canadian peers. The Office of Pension Fund Management will now conduct an annual review of investment performance, operations, and Environmental, Social and

Governance (ESG) performance of the external investment managers and report back to the Pension Committee. This review process is in line with defined benefit pension plan peers. Finally, the Responsible Investing (RI) Policy was moved to a stand-alone policy and the SIPP will now reference this. All other changes were clarifications.

There were no changes to the mandates of the external Investment Managers who manage the assets.

6.0 FINANCIAL IMPLICATIONS

Investment policies define how plans will carry out their investment program, in order to strengthen both the financial condition of the plan and the promise to deliver benefits to plan participants. Investment policies set out investment goals and priorities, articulate the asset allocation strategy and convey performance review and measurement criteria to all interested parties.

The lack of a SIPP, or the failure to review and update the SIPP annually, could jeopardize the rate of return achieved by the Fund. This return directly affects the funded status of the Retirement Plan and related university contributions.

7.0 RISK, LEGAL AND COMPLIANCE ASSESSMENT

This annual review of the SIPP assists the Finance Committee of the Board as it supports the university in its role as Sponsor and Administrator of the Retirement Plan.

The financial stability of the Plan is of strategic importance to the university, given its size, continued growth, and potential for volatility in funding requirements. Operational and financial risk are high as normal annual contributions to the Plan are in excess of \$20 million.

Volatility in funding requirements puts pressure on the operating budget. A related risk is market risk; i.e. the failure to achieve satisfactory returns due to capital market conditions, and related impairment of the assets supporting the Plan liabilities. Steps are taken to mitigate these risks through oversight and managing the Fund in accordance with prudent investment policy. It should be noted that the investment policy is based on a long-term assessment of the capital markets and periodic short-term volatility may occur.

The Plan is subject to regulatory risk as well, in this case, in ensuring that the university complies with all disclosure requirements relating to the investment policy. Failure to do so could result in the application of a fine for lack of compliance. This risk is managed by the office of Pension Fund Management.

8.0 REPUTATIONAL IMPLICATIONS AND COMMUNICATIONS STRATEGY

A significant reputational loss could occur following a negative announcement/news related to financial managements issue at the university. Given the scale and operational importance of the fund, the risk is magnified. The university has a strong communications team and infrastructure along with flexible emergency communications response plans to support if needed.

9.0 OVERALL RISK MANAGEMENT ANALYSIS

	VERY LOW	LOW	MEDIUM	HIGH	VERY HIGH
STRATEGIC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
LEGAL	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OPERATIONAL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
TECHNOLOGICAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FINANCIAL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
REPUTATIONAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Statement of Investment Policies and Procedures
for the
Trust Fund Created Under
The Carleton University Retirement Plan

Prepared pursuant to
The Pension Benefits Act of Ontario
Registration Number 0526616

June 30, ~~2022~~2023

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Section 1 – Purpose

- 1.1. Carleton University (the “University”) provides pension benefits to its employees through the Carleton University Retirement Plan (the “Plan”). The primary goal of the Plan is to assist Plan beneficiaries in providing for a financially secure retirement income at a reasonable cost. The prudent and effective management of the Trust Fund (the “Fund”), as described in Section 13 of the Plan, will have a direct impact on the achievement of this goal.
- 1.2. This statement of investment policies and procedures (the “Statement”) addresses the manner in which the Fund shall be invested to achieve the primary goal of the Plan. The University has prepared the Statement to ensure continued prudent and effective management of the Fund so that there will be sufficient amounts to meet the obligations of the Plan as they come due. The Statement also defines the management structure and other procedures adopted for the ongoing operation of the Fund.
- 1.3. This statement has been prepared in accordance with all relevant legislation relating to the investment of registered pension plans assets. Investments shall be selected in accordance with the criteria and limitations set forth herein and in accordance with applicable legislation.
- 1.4. All references to the terms of the Carleton University Retirement Plan contained in this Statement are of a summary nature only. The Plan is administered in accordance with the terms of the Plan text as amended from time to time.
- 1.5. In accordance with section 78 of Regulation 909 of the Ontario Pension Benefits Act, this policy complies with the federal investment rules under Canada’s Pension Benefits Standards Regulation, 1985.

Section 2 – Governance and Administration

- 2.1. Section 15 of the Retirement Plan states that the Plan will be administered by the University. Section 15 also describes the composition and role of the Pension Committee (the “Committee”). The Committee is responsible for all matters in regard to the administration of the Plan. Various agents may be retained to assist the Committee in carrying out their duties in respect of the Fund. From an investment standpoint, the Committee is responsible for reviewing the performance of the Fund, and for the preparation of recommendations to the Board of Governors (the “Board”) of the University as to the appointment of the ~~investment managers~~Investment Managers (the “Managers”) and the custodian.
- 2.2. The Board, the Committee, the Managers, and any agent or adviser providing services in connection with the investment of the Fund accepts and adheres to this Statement.
- 2.3. This Statement provides broad investment guidelines for the management of the Fund. The management of the assets of the Fund is delegated to ~~professional investment managers~~the Managers. Neither the Board of Governors, the Pension Committee nor any employee of the University shall select securities on behalf of the Fund.
- 2.4. In developing the Statement, the Committee has considered factors such as the following:
- the nature of the Plan’s liabilities;
 - the allocation of such liabilities between active members and retired members;
 - the funded and solvency positions of the Plan;
 - the net cash flow position of the Plan;
 - the investment horizon of the Plan;
 - expected risk tolerance of the University and Plan beneficiaries,
 - historical and expected capital market returns and volatilities; and
 - the benefits of investment diversification.
- 2.5. The mandate of each Manager appointed shall be determined by the Committee, subject to approval by the Board.
- 2.6. A Custodian will be appointed for all or part of the Fund assets. Any Custodian shall be a trust company registered in Canada. All investments and assets of the Fund shall be held by a Custodian.
- 2.7. The Fund’s financial statements shall be audited by an independent auditor at least

annually. The audited statements shall be reviewed and approved by the Committee and reviewed by the Board of Governors.

- 2.8. This policy shall be reviewed and approved by the Committee at least annually. It may be reviewed and amended from time to time by the Committee. It must be reviewed and approved annually by the Board of Governors.

Section 3 – Plan Overview

- 3.1. The Plan is fundamentally a money purchase plan, with contributions of 4.37% of pensionable earnings up to the Year's Maximum Pensionable Earnings (YMPE) plus 6% of pensionable earnings above the YMPE being made by each active member to that member's Money Purchase account. The University makes contributions of 4.62% of pensionable earnings up to the YMPE plus 6.25% of pensionable earnings above the YMPE to the member's Money Purchase account.
- 3.2. The University makes an additional annual contribution, based on actuarial requirements, and in accordance with relevant legislation to the Minimum Guarantee Fund. Contributions to the Minimum Guarantee Fund are essentially used, as required, to ensure that an active member's pension on retirement is not less than that produced by a defined benefit formula.
- 3.3. An account is maintained for each active member and for each former member for whom a balance has been left in the Fund. This account is credited with relevant contributions as well as a proportionate share of the Fund's investment return. Money Purchase Pensions are based on the amount in a member's account. Active members and these former members therefore have a direct interest in the Fund's return.
- 3.4. For pensioners, annual member pension benefits, including lifetime and bridge benefits, are adjusted by a percentage equal to the four-year arithmetic average investment return earned by the ~~fund~~Fund minus 6%. So that annual adjustments are reasonably smooth, a four-year moving average of the Fund's return is used in the formula and there is a non-reduction provision for service prior to July 1, 2003. Pensioners therefore have a direct interest in the Fund's return.
- 3.5. As the Sponsor of the Plan, the University always has an interest in the success of the Plan, and therefore in the Fund's return.

Section 4 – Investment Objectives and Mandates

Investment Objectives

- 4.1. The Committee shall manage the Fund on a going concern basis, with the primary objective of providing reasonable rates of return, consistent with available market opportunities, a quality standard of investment, and commensurate with the University's risk tolerance level.
- 4.2. As the result of analyzing the relevant investment-related features of the Plan's design, the Committee has identified the fundamental risk policy issue as follows:
 - To identify the best way of achieving an acceptable degree of opportunity for high long-term returns, subject to the following constraints:
 - safeguarding the University's contribution rate;
 - maintaining reasonable stability in pensioners' annual increases; and,
 - acceptably protecting the money purchase balances of active members nearing retirement.
- 4.3. After studying several different approaches, the Committee has noted that there is invariably a conflict between increased long-term investment opportunity and increased short-term safety.
- 4.4. The Committee expects the Benchmark Portfolio (as outlined described in Section 4.5) to earn a 4.1% long-term real return, after investment management fees, over the long term (10 years or more). In any one year, however, the annual real return may be significantly above or below 4.1%.

Benchmark Portfolio

- 4.5. The Committee believes that a portfolio (the "Benchmark Portfolio") invested in the following asset mix (based on market value) can, over the long term, achieve the stated investment objectives:

Asset Class	Investment Category	Benchmark Index	Benchmark Portfolio (%)
Cash and Short-Term ⁽¹⁾	Short term notes and Treasury Bills	FTSE Canada 91-Day T-Bill Index	0.0
Fixed Income ⁽²⁾	Canadian bonds and debentures	FTSE Canada Bond Universe Index	20.0
Canadian Equities	Canadian stocks	S&P/TSX Capped Composite Index	25.0
High-Yield Debt	Non-Canadian bonds and debentures	BoAML US High Yield Constrained Index	5.0
Global Infrastructure	Other investments	<u>CPI + 5CPI³ + 4.0%</u>	15.0
Non-Canadian Equities, Core	Non-Canadian stocks	Morgan Stanley Capital International (MSCI) World Index	25.0
Emerging Markets Equity	Non-Canadian stocks	MSCI Emerging Markets Equity Index	5.0
Non-Canadian Equities, Small Cap	Non-Canadian stocks	MSCI World Small Cap Index	5.0
	Total		100.0

(1) Excludes temporary cash holdings arising from portfolio adjustments.

(2) Cash used as part of a bond duration strategy shall be deemed to be bonds for asset mix purposes.

(3) Consumer Price Index (Total CPI) as per the Bank of Canada.

4.6. Where cash and short-term investments are held as part of a derivatives strategy to gain exposure to a particular asset class, then, for the purpose of the Fund's asset mix, such investments shall be deemed not to be cash and short-term investments, but rather investments of the asset class to which the derivatives relate.

4.7. Since the Fund will be actively managed, and since asset classes provide different returns, the actual asset mix at any time may deviate from the above. Section 5 defines the limits for such deviations.

Rate of Return Objectives

4.8. The Committee expects the total annualized returns of the Fund to exceed by 1.00% the returns that could have been earned by passively managing the Benchmark Portfolio, assuming quarterly rebalancing of the Benchmark Portfolio. For the purpose of measuring

rates of return of the Fund, all returns shall be measured before investment management fees, but after transaction costs, and over rolling four-year periods. All index returns shall be total returns. All foreign index returns shall be Canadian dollar returns.

- 4.9. To achieve its rate of return objectives, the Committee shall recommend the appointment of Managers. The Managers will be assigned such mandates and performance targets as the Committee deems to be in the best interests of the Fund. The Committee shall monitor the Managers both qualitatively and quantitatively.

Section 5 – Asset Mix and Rebalancing Policies

Asset Mix Policy

- 5.1. The market values of the individual asset class components of the Fund shall be within the following minimum and maximum aggregate investment limits:

Asset Class	Investment Category	Minimum (%)	Benchmark (%)	Maximum (%)
Cash and Short-Term	Short-term notes and Treasury Bills	0.0	0.0	5.0
Fixed Income	Canadian bonds and debentures	10.0	20.0	30.0
High Yield Debt	Non-Canadian bonds and debentures	2.0	5.0	8.0
Global Infrastructure	Other Investments	5.0	15.0	20.0
<u>Real Estate</u>	<u>Other Investments</u>	<u>0.0</u>	<u>0.0</u>	<u>10.0</u>
Equities				
Canadian Equities	Canadian stocks	15.0	25.0	35.0
Non-Canadian Equities				
Global Core	Non-Canadian stocks	15.0	25.0	35.0
Emerging Markets	Non-Canadian stocks	2.0	5.0	8.0
Global Small Cap	Non-Canadian stocks	2.0	5.0	8.0
Total Equities		50.0	60.0	70.0

- 5.2. Notwithstanding the asset mix ranges shown above, the Committee may authorize temporary asset mix positions outside those ranges to accommodate a Fund restructuring, a Manager restructuring, or a Manager request submitted in writing and providing the rationale for the request.

Rebalancing Policy

- 5.3. The Committee believes, for the reasons set out below, that it is in the best interests of the Fund to control asset mix deviations:

- The Committee has adopted the Benchmark Portfolio and ranges based on the acceptability to the Committee of its risk/return trade-offs. Significant asset mix deviations from the Benchmark Portfolio would for the Committee's purposes, be sub-optimal.
- The Committee has established the ~~investment manager~~Manager structure to achieve goals of diversification and efficiency.

5.4. Therefore, the Committee may, from time to time and in its absolute discretion, rebalance the actual asset mix back to the Benchmark Portfolio so as to align the two more closely. Between rebalancing events, cash flow may be used to rebalance towards the asset mix of the Benchmark Portfolio.

5.5. Private equity, infrastructure, and real estate~~infrastructure assets~~ are, by their nature, illiquid and may not be able to be rebalanced immediately; however, the objective is to methodically move the allocation to within the investment policy range as soon as practicable.

Section 6 – Permitted Investments and Constraints

Permitted Investments and Constraints by Asset Class

6.1. The following investments may be made either directly, through pooled or mutual funds, private investment funds or through insurance contracts. The list of permitted investments and constraints outlined below apply to all relevant mandates. Additional constraints may be imposed by the Committee on certain mandates. Such additional constraints shall be documented in a separate manager mandate.

6.2. **Cash**

Permitted Investments

Cash on hand, demand deposits, treasury bills, short-term notes and bankers' acceptances, term deposits, commercial paper and guaranteed investment certificates having a term of less than or equal to one year.

Investment Constraints

All cash investments shall have a minimum rating of R1 by the Dominion Bond Rating Service (DBRS) or equivalent.

6.3. **Fixed Income**

The provisions of this section do not apply to high-yield debt mandates. Permitted investments and constraints for high-yield debt mandates are outlined in Section 6.8 of this document.

Permitted Investments

Bonds, debentures, or other debt instruments of corporations, Governments, Government agencies, or guaranteed by Governments, mortgage-backed securities, mortgages, preferred shares, and bonds where capital, interest, or both are linked to increases in the cost-of-living (i.e., real return bonds).

Investment Constraints

The investment constraints below apply to the total fixed income portion of the Fund and each Manager's fixed income portfolio.

Not more than 5% of the market value of fixed income securities shall be invested in any one non-government entity.

The bond portfolio may be invested to a maximum market value of:

- 100% in Federal government bonds and guaranteed Federal agency bonds;
- 60% in provincial bonds and guaranteed provincial agency bonds, subject to a single province a maximum of 15% for provinces rated AA or better and 10% for provinces rated less than AA (Standard and Poor's, DBRS, or equivalent rating);
- 10% in municipal bonds; and
- 50% in corporate issues and other bonds.

Investments in bonds and debentures shall have a minimum rating of BBB₋ by Standard and Poor's or DBRS, or an equivalent minimum rating by at least one credit rating agency that is recognized by a competent authority. Not more than 10% of the market value of the fixed income portfolio shall be invested in BBB₋ bonds or debentures. Where an investment in the portfolio is downgraded to below BBB₋, the Manager, in consultation with the Committee, shall use its best judgement to determine whether the BBB₋ rating is likely to be restored within a reasonable period of time. If so, the Manager may retain the investment and shall keep the Committee informed of its rating. If not, the Manager shall take all reasonable steps to liquidate the investment in an orderly fashion with due regard to price and liquidity constraints, while keeping the Committee informed.

Any direct mortgages in the fixed income portfolio shall meet the following requirements:

- shall only be first mortgages, shall not exceed 75% of the appraised value, and shall be in metropolitan areas;
- no one mortgage shall exceed 2% of the total market value of the fixed income portfolio, and the total value of all mortgages shall not exceed 5% of the total book value of the Fund.

6.4. **Equity**

Permitted Investments

Common shares, American depository receipts, global depository receipts, rights, warrants, installment receipts, securities convertible into common shares, real estate, venture capital, exchange traded index participation units or exchange traded funds,

and Canadian income trusts which provide provincially-legislated limited liability protection to the unitholder.

Investment Constraints – Canadian Equities

The investment constraints below apply to the total Canadian equity portion of the Fund and to each Manager's Canadian equity portfolio.

- The market value of any single equity holding shall not exceed its weight in the S&P/TSX Capped Composite Index plus ~~5 percentage points.~~%.
- The proportion of the market value of the Canadian equity portfolio invested in one sector of the S&P/TSX Capped Composite Index shall not exceed the sector's weighting in the S&P/TSX Capped Composite Index plus 10%.
- Not more than 10% of the Canadian equity portfolio shall be invested in small cap stocks (i.e., market capitalization of less than \$500 million).
- Not more than 10% of the outstanding securities of any one company shall be purchased.
- To achieve a reasonable level of diversification, there shall be at least 20 different Canadian equity holdings.

Investment Constraints – Non-Canadian Equities

The investment constraints below apply to the total non-Canadian equity portion of the Fund and to each Manager's equity portfolio.

- An investment in the shares of any single company shall not exceed 5% of the market value of all non-Canadian equities held.
- Not more than 10% of the outstanding securities of any one company shall be purchased.
- Not more than 5% of the market value of the Fund shall be invested in small cap stocks.
- Not more than 5% of the market value of the Fund shall be invested in emerging markets equities.
- To achieve a reasonable level of diversification, there shall be at least 20 different foreign equity holdings.

For greater clarification, the investment constraints relating to non-Canadian small cap stocks and emerging market equities may from time to time exceed 5% in accordance with the asset mix ranges outlined in Section 5.1.

6.5. Real Estate and Venture Capital

~~The investment constraints below apply to the real estate and venture capital portion of the Fund.~~

- ~~1. Investments in real estate shall not exceed 5% of the market value of the Fund, and an investment in any one parcel of real estate shall not exceed 2% of the market value of the Fund.~~

Permitted Investments

~~Real estate investments in venture capital shall not exceed 3% of the market value of the Fund.~~
A. Other – Global Infrastructure

~~Infrastructure~~ investments will be held through public or private long-term investment funds. The investment criteria for each fund (e.g. type of assets, geographic and sector focus) are outlined in the respective Investment Management Agreement or Private Placement Memoranda/Memorandum and related documents such as side letters. The Committee will review the investment guidelines for each ~~infrastructure~~real estate fund prior to recommending approval to the Board.

Investment Constraints

An investment in any one parcel of real estate shall not exceed 2% of the market value of the Fund.

6.6. Infrastructure

Permitted Investments

Infrastructure investments will be held through public or private long-term investment funds. The investment criteria for each fund (e.g. type of assets, geographic and sector focus) are outlined in the respective Investment Management Agreement or Private Placement Memorandum and related documents such as side letters. The Committee will review the investment guidelines for each infrastructure fund prior to recommending approval to the Board.

Investment Constraints

An investment in any one infrastructure asset shall not exceed 2% of the market value of the Fund.

6.7. Venture Capital

Permitted Investments

Venture investments will be held through private long-term investment funds. The investment criteria for each fund (e.g. type of assets, geographic and sector focus) are outlined in the respective Private Placement Memorandum and related documents such as side letters. The Committee will review the investment guidelines for each venture fund prior to recommending approval to the Board.

Investment Constraints

Investments in venture capital shall not exceed 3% of the market value of the Fund and an investment in any one venture shall not exceed 1% of the Fund.

B.6.8. High Yield Debt

Permitted Investments

Bonds, debentures or other debt instruments of corporations, Governments, Government agencies, or guaranteed by Governments, private placement securities classified as 144a debt securities, bank loans, U.S. Treasury futures and options, currency forward or futures contracts, credit default swaps, common and preferred shares and warrants.

Investment Constraints

The investment constraints below apply to the total high-yield debt portion of the Fund and each Manager's high-yield debt portfolio.

- No more than 5% of the market value of high-yield debt securities shall be invested in any one non-government entity.
- The maximum allocation to securities with ratings below B- or B3 is the Index weight +5%. If a security is unrated, a comparable rating shall be determined by the Manager. In the event that a security within the Manager's portfolio is downgraded and causes the Manager's portfolio to exceed the limit, the Manager shall immediately notify the Committee in writing of this occurrence and recommend a course of action for approval by the Committee.
- No more than 25% of the market value of high-yield debt securities shall be invested in any one industry.
- No more than 2% of the market value of high-yield debt securities shall be invested in equity or equity-related securities.
- Short sales of securities are not permitted.

- Security purchases on margin are not permitted except for futures or other over-the-counter derivatives.

6-5-6.9. Derivatives

Where appropriate and prudent, derivatives are used as a risk management tool. Derivatives will only be used after full consideration of the related risks and in compliance with market and regulatory obligations. Risk (such as counterparty risk) will be identified, measured, managed and monitored on an ongoing basis.

The Fund may use exchange-traded, over-the-counter and other forms of bilateral derivative contracts to gain or reduce exposure to interest rates, foreign exchange rates, credit debt instruments, commodities and public equities. Exchange-traded derivative positions are regularly valued using quoted market prices, where available, or discounted cash flows using current market yields for over-the-counter derivatives. Derivative instruments are classified in accordance with the underlying exposure to fixed income or public equity.

Permitted Investments

Permitted derivative investments are:

- Option contracts, including stock, stock index, currency, bond, bond futures and interest rate
- Futures contracts, including stock index, currency, bond and interest rate
- Forward contracts, including currency, and interest rate
- Swap contracts, including credit default, equity, currency and interest rate
- Mortgage derivatives

Guidelines and Restrictions

- Derivatives may only be used with the expressed written consent of the Committee.
- Derivatives may be used as a hedge against existing investments or liabilities, provided their particular purpose/usage has been fully disclosed to the Committee.
- Derivatives may be used to hedge financial risks associated with the underlying portfolio when they hedge those risks more efficiently than cash market instruments. Derivatives used for hedging purposes must have a reasonably high negative correlation with the underlying asset or liability being hedged.

Investment Constraints

- Derivatives shall not be used to create leverage or for speculative purposes.
- Counterparties will carry a minimum BBB or its equivalent credit rating unless approved by the Committee. The Managers shall be responsible for assessing all counterparty risk associated with derivative instruments, with regards to credit rating, and total exposure limits for each derivatives securities dealer and bank.
- These guidelines and restrictions on derivative investments are not intended to restrict investments in derivative instruments by pooled vehicles, including limited partnerships, whose primary investment focus is to invest in other asset classes such as real estate, private debt and infrastructure. The Managers shall implement internal procedures and controls in order to ensure that derivatives are used in compliance with the Statement at all times.
- Derivatives shall be sold only for securities held in the Fund, and bought only when the Fund holds sufficient cash to make the required payment at maturity.
- The Fund may post collateral as required to complete derivative transactions. Pledging of collateral for purposes of derivatives is permitted. Assets that can be pledged for collateral are set out in legal agreements or are defined by exchanges. The level of collateral pledged is determined and monitored as part of liquidity management.

6.6.6.10. **Currency**

~~C.~~

A currency hedge on a portion of the Funds' U.S. and Non-North American equity and infrastructure exposure will be used to manage currency risk. This hedging activity will be subject to the constraints outlined in Section 6.9 above.

Those managers whose mandate(s) permit hedging of the foreign exchange risk of the underlying foreign equity securities may do so directly into Canadian dollars, or into U.S. dollars and then back into Canadian dollars. -Speculative currency management is not allowed.

Investments Requiring Prior Written Approval

6.26.11. The Managers shall not make investments in investment categories other than those explicitly permitted in the Statement, unless the Committee first consents in writing.

Other Constraints

6-6.6.12. The Fund shall not borrow funds to acquire securities or otherwise deal in margin trading.

6-6.6.13. All investments shall be made in accordance with the Code of Ethics and Standards of Practice of the CFA Institute.

Exceptions to Statement

6-56.14. If at any time an investment or group of investments does not conform with the limitations provided herein, the Manager, in consultation with the Committee, shall use its best judgement as to the action required to correct the situation. If it appears that the situation shall be corrected within a reasonably short period of time through cash flow into the Fund, the Manager - with the approval of the Committee - may elect not to liquidate the temporarily non-conforming investments.

6-66.15. The Committee may direct a Manager to deviate from the investment guidelines of the Statement with respect to a portion of the Fund. Such direction shall be in writing and shall specify the value of the assets to be invested and how those assets are to be invested. Unless instructed otherwise by the Committee in the written direction, each Manager shall invest the remaining portion of the Fund according to the normal investment guidelines of the Statement as if the assets subject to the special instructions were not part of the Fund.

6-7.6.16. To the extent that the Committee invests all or part of the Fund in a Manager's pooled funds or private investment funds, the foregoing investment constraints, and any other provisions of the Statement that may be affected, shall not apply, but the Manager shall be governed by the Manager's own investment policy for the pooled funds or private investment funds. The Manager shall provide such policy to the Committee and shall inform the Committee when and how the guidelines of the pooled funds or private investment funds differ from the guidelines of the Statement

Section 7 – Liquidity

- 7.1. It is expected that cash flow from contributions and regular income (i.e., interest, coupons and dividends) generated from securities held in the Fund will be sufficient to meet most or all of the required disbursements under the Plan.
- 7.2. Disposing of securities from time to time can make up any shortfall. Considering the type of investments held in the Fund and the anticipated shortfalls, it is not expected that the disposal of securities will have significant implications on the investment of the Fund.
- 7.3. The difference between cash flow/income and disbursements will be monitored by the Committee on an ongoing basis. Should the shortfall become sizeable in the future, the Committee will consider the options available to meet the Plan's liquidity requirements in order to avoid untimely disposal of securities, and instruct the Managers of any related modification to their mandates.

Section 8 – Conflict of Interest Policy

Conflict of Interest and Procedures for Disclosure

8.1. A conflict of interest refers to a situation where financial, professional or other personal consideration may compromise or have the appearance of compromising an individual's professional judgment in the performance of his or her duties or in the exercise of his or her fiduciary obligations as a member of the Pension Committee. A conflict of interest exists where (1) the member owes a duty to the beneficiaries of the Retirement Plan, and (ii) the member has a personal interest in the matter or owes a duty to act in the matter in the interests of a different person, group of persons, institution or organization. A conflict of interest may arise in various cases. The following are definitions of the various types of interests that a member may have, which could give rise to a conflict of interest:

- Financial Interest: A member has a pecuniary or financial interest where he or she stands to gain a financial advantage from a decision made. The financial interest may take the form of money, gifts, favors or other special considerations. This does not apply to compensation paid to University employees who are Members of the Pension Committee nor reimbursement of approved expenses to Members of the Pension Committee in the discharge of their duties.
- Undue Influence: A private or personal interest that impairs, influence or appears to influence the objective exercise of his or her duties as a member of the Committee.
- Adverse Interest: A member is a party to a claim or proceeding against the University.
- Personal Relationship: A non-arm's length relationship, including but not limited to family members and persons with whom there is or has recently been a close personal relationship.
- Apparent/Perceived Conflict of Interest: A reasonable apprehension which a reasonable person may have, that a conflict of interest exists, even if there is neither a potential nor a real conflict.

8.2. For the purposes of this Section 8, a Pension Committee member shall not be considered to have any such interest merely by virtue of being a member of the Plan.

Process for Dealing with a Conflict of Interest

8.3. Both prior to serving on the Pension Committee and during their term of office, Members must openly disclose a potential, real or perceived conflict of interest as soon as the issue arises and before the Pension Committee deals with the matter at issue. If there is any question or doubt about the existence of a real or perceived conflict, the matter may be referred to the Pension Committee, as the case may be, who will determine by majority vote if a conflict exists. The Member potentially in a conflict of interest shall be absent from the discussion and shall not vote on the issue. It is the responsibility of other Members who are aware of a real, potential or perceived conflict of interest on the part of a fellow Member to raise the issue for clarification, first with the Member in question and, if still unresolved, with the Chair of the Pension Committee. If a conflict is identified, the Member must abstain from participation in any discussion on the matter, shall not attempt to personally influence the outcome, shall refrain from voting on the matter and, unless otherwise decided by the Pension Committee, must leave the meeting room for the duration of any such discussion or vote. The disclosure and decision as to whether a conflict exists shall be duly recorded in the minutes of the meeting.

8.3.8.4. The Committee shall satisfy itself that an appropriate policy regarding conflicts of interest exists and is followed by any Manager recommended by it to the Board. As a minimum, the Code of Ethics and Standards of Professional Conduct adopted by the CFA Institute shall be deemed to apply to such Manager. Any investigation required by the Committee shall be carried out before the recommendation is made.

8.3.8.5. The failure of a person to comply with the procedures described in this Section 8 shall not of itself invalidate any decision, contract or other matter.

8.3.8.6. If after a decision has been made, it comes to the attention of the Committee that a member had or has had a conflict of interest, the Chair will appoint an "ad hoc" committee of the members, excluding the person with the alleged conflict, to review all the circumstances and to recommend to the Committee the action to be taken.

8.3.8.7. This policy shall apply also to the Board of Governors, and any agent or advisor to the Committee who assists the Committee in the execution of its responsibilities under the Pension Benefits Act (Ontario).

Related Party Transactions

8.4.8.8. For the purpose of this section, a “related party” in respect of the Plan has the meaning given to such term in Schedule III of the Pension Benefits Standards Regulations, 1985 (Canada).

8.5.8.9. Prior to July 1, 2016, the following related party transactions are permitted for the Plan:

- any transaction that is required for the operation or administration of the Plan, the terms and conditions of which are not less favourable to the Plan than market terms and conditions; and
- any purchase of securities of a related party, provided that those securities are acquired at a public exchange recognized under the Pension Benefits Standards Act and Regulations, 1985 (Canada).

8.6.8.10. On and after July 1, 2016, the following related party transactions are permitted for the Plan:

- Any transaction for the operation or administration of the Plan, the terms and conditions of which are not less favourable to the Plan than market terms and conditions and the transaction does not involve the making of loans to, or investments in, the related party.

8.7.8.11. On and after July 1, 2016, the following exceptions apply to the restrictions on transactions with related parties:

- Investments in an “investment fund” (as defined in the Pension Benefits Standards Regulations, 1985) or a segregated fund in which investors other than Carleton University and its affiliates may invest and which complies with the requirements applicable to a pension plan under Schedule III of the Pension Benefits Standards Regulations, 1985;
- investments in an unallocated general fund of a person authorized to carry on a life insurance business in Canada;
- investments in securities issued or fully guaranteed by the Government of Canada or a Province of Canada or an agency thereof;
- investments in a fund composed of mortgage-backed securities that are fully guaranteed by the Government of Canada or a Province of Canada or an agency thereof;
- investments in a fund that replicates the composition of a widely recognized index

- i. of a broad class of securities traded at a marketplace; and
- ii. investments that involve the purchase of a contract or agreement in respect of which the return is based on the performance of a widely recognized index of a broad class of securities traded at a marketplace.

8.58.12. A related transaction is also permitted if the value of the transaction is nominal or immaterial to the Plan. A transaction will be considered to be nominal or immaterial if its value is no more than one-half of one percent of the market value of the assets of the Fund at the time the transaction is entered into or completed.

Section 9 – Delegation of Voting Rights

- 9.1. The Committee delegates to the Managers the responsibility of exercising all voting rights acquired through the Fund. The Managers shall exercise such voting rights with the intent of fulfilling the investment objectives and policies of the Statement and for the long-term benefit of the Fund.
- 9.2. The Managers shall provide their voting rights policies to the Committee. Each Manager shall prepare an annual report to the Committee outlining and explaining any departures from, or exceptions to, the policies, any issues where the Manager has voted against corporate management, and any other extraordinary matters.
- 9.3. The Committee retains the right to exercise acquired voting rights at any time by notifying the Managers.

Section 10 - Valuation of Investments Not Regularly Traded

- 10.1. It is expected that most of the securities held by the Fund will have an active market and that the values of such securities will be based on their market values.
- 10.2. Investments that are not regularly traded shall be valued at least annually by the Custodian in co-operation with each Manager. In making such valuations, considerations shall be given to bid and ask prices, previous transaction prices, discounted cash flow, independent appraisal values, the valuations of other comparable publicly-traded investments and other valuation techniques that are judged relevant to the specific situation.
- 10.3. For untraded investments on which the Custodian has not been provided with a valuation, the Manager shall report to the Committee within ten days after such time as the investment became untraded.

Section 11 – Securities Lending

11.1. The Fund may enter into securities lending agreements provided the loaned investments are secured by cash or readily marketable investments having a market value of at least 105% of the loan, and that level of security is maintained daily. Collateral provided with respect to any such securities lending agreements shall be held by the Lending Agent for the benefit of the Fund, and the collateral will not be subject to a right of set-off by a third party. For purposes of securities lending, acceptable collateral shall consist of the following:

- Obligations of or guaranteed by the respective governments of Canada or the United States, their respective agencies, or any Canadian province;
- Widely-traded debt instruments having a rating of at least single A (low) or the equivalent from a nationally recognized statistical rating organization (“NRSRO”);
- Commercial paper rated at least R-1 (low) or the equivalent by a NRSRO;
- Commercial Acceptances of banks and trust and loan companies whose short-term deposits are rated at least R-1 (low) or the equivalent by a NRSRO;
- High quality common and preferred shares;
- Shares of an exchange-traded fund that trade on a major stock exchange, commonly known as Index Participation Units (when immediately convertible into the underlying securities);
- Unconditional, irrevocable letters of credit that comply with the standards of the International Chamber of Commerce and which are issued by banks and trust and loan companies whose short-term deposits are rated at least R-1 (low) or the equivalent by a NRSRO;
- Convertible preferred shares and convertible debt instruments (when immediately convertible into the underlying securities);
- Sovereign debt obligations of countries other than Canada or the United States who are members of the Organization for Economic Co-operation and Development (OECD); and,
- Canadian Hydro Bonds guaranteed by the respective Provincial governments having a rating of single A (low) or the equivalent by a NRSRO.

Section 12 – Soft Dollar Policy

- 12.1. No Manager shall enter a soft-dollar arrangement for trades on behalf of the Fund for the payment of third party services without the prior written approval of the Committee.
- 12.2. In the event a Manager receives soft dollars, these monies shall be used for the benefit of the Plan and not for the benefit of the Manager's firm.
- 12.3. The Managers shall be governed by the Soft Dollar Policy of the CFA Institute.

Section 13 – Statement Review

13.1. The Committee shall review the Statement at least annually, taking into account whether any developments such as the following have occurred:

- governance changes;
- changing investment beliefs;
- changing risk tolerance;
- changes to benefits provided by the Plan;
- changes to the Plan's membership demographics and liability distribution;
- changes to the Plan's cash flow and surplus/deficit position;
- changed expectations for the long term risk/return trade-offs of the capital markets;
- new investment products;
- changes to legislation; and
- any practical issues that arise from the application of the Statement.

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Appendix

Implementation Guidelines
for the
Statement of Investment Policies and Procedures
for the
Trust Fund Created Under
The Carleton University Retirement Plan

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June 30, ~~2022~~2023

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Section 1 - Purpose

- 1.1 This Appendix forms part of the Statement and shall be interpreted in accordance with and subject to the Statement. Except where the context requires otherwise, a capitalized term in this Appendix shall have the meaning that is given to that term in the Statement.
- 1.2 Carleton University (the “University”) administers the Trust Fund (the “Fund”) to pay benefits in accordance with the terms of the Carleton University Retirement Plan (the “Plan”). The Pension Committee (the “Committee”), acting through the Board of Governors (the “Board”), has prepared a statement of investment policies and procedures (the “Statement”) pursuant to the requirements of The Pension Benefits Act of Ontario.
- 1.3 The Committee has prepared these guidelines (the “Guidelines”) to support the Statement and direct its implementation.

Section 2 – Fund Governance – Roles and Responsibilities

2.1 The University is the legal administrator of the Plan and is responsible for all matters relating to the administration of the Plan. The Board delegates tasks to the Committee, and through the Committee to various agents retained to assist it in carrying out its duties. The Board, however, retains overall responsibility for the Fund. The Board has allocated its responsibilities in respect of the Fund as set out below.

2.2 ~~The Pension~~ Committee

The Committee shall:

- establish the Statement for approval by the Board;
- review the Statement at least annually, and recommend confirmation or amendment to the Board as needed;
- recommend for the Board’s approval one or more custodians (the “Custodian”) to hold the assets of the Fund;
- establish the specific investment mandates and recommend for the Board’s approval the investment managers (the “Managers”) to manage the Fund in accordance with such mandates;
- engage and monitor one or more investment consultants (the “Consultants”) to assist the

Committee with its fiduciary duties in respect of the Fund;

- engage and monitor an actuary (the “Actuary”) to review the financial status of the Fund at regular intervals and to perform such other duties as are required by legislation or deemed necessary by the Committee;
- evaluate, both quantitatively and qualitatively, each Manager's performance at least annually. The review shall include a comparison of the rates of return achieved relative to the objectives established, an analysis of the reasons for such return, and an assessment of the risk assumed in the pursuit of such returns;
- ensure that the Custodian's reports are prepared and reviewed by a designated body;
- review and ~~recommend for approval to the Board~~approve the audited financial statements of the Fund; and
- delegate tasks relating to the overall management of the Fund to selected agents or advisers retained by the Committee.

2.3 The Managers

The Managers shall:

- manage the short-term asset mix within the long-term guidelines of the Statement and Guidelines and select securities within each asset class, subject to all relevant legislation and the constraints and directives contained in the Statement and Guidelines and in any supplementary document provided by the Committee;
- ~~• meet with the Committee at least annually, or more often if the Committee so requests, to present their analysis of the investment performance and to describe their current and future investment strategies regarding their specific investment mandates;~~
- prepare written reports of investment performance results at least quarterly; submit certificates at least annually, or more often if the Committee so requests, attesting to their compliance with the Statement and Guidelines, and notify the Committee if at any time an investment or group of investments does not comply with the Statement and Guidelines;
- meet with the Committee and/or the Office of Pension Fund Management at least annually, or more often if requested, to present their analysis of the investment performance relative to the objectives established, an analysis of the reasons for such return, an assessment of the risk assumed in the pursuit of such returns, ESG update, operational review and their current and future investment strategies regarding their specific investment mandates. The results of this annual review will be distributed to the Committee;
- give prompt notice to the Custodian of all purchases and sales of securities;

- advise the Committee on an ongoing basis of any changes in the organization, personnel or investment process;
- permit a tour of their premises and a review of their internal control systems and procedures- by the Committee and/or the Office of Pension Fund Management at least once a year;
- identify provisions in the Statement and Guidelines that may need to be revised due to new investment strategies or changes in the capital markets; and
- be governed by the Code of Ethics and Standards of Professional Conduct of the CFA Institute.

2.4 The Custodian

The Custodian shall:

- perform the regular duties required of a custodian by law;
- maintain safe custody over the assets of the Fund,
- perform the duties required of the Custodian pursuant to agreements entered into from time to time with the University, including the collection of contributions and payment of pension benefits and expenses relating to the administration of the Plan.
- Execute instructions of the University and the Investment Managers, process the security transactions that result from the buy and sell orders placed by the Managers and record income; and,
- provide the Committee with monthly portfolio reports of the assets of the Fund and monthly reports of the transactions during the period, as well as any reports containing additional information agreed upon between the Committee or its agents and the Custodian.

2.5 The Performance Measurement Consultants

The Performance Measurement Consultant shall:

- At least quarterly, provide the Committee with the annualized time-weighted rates of return for the Fund, for each asset class component of the Fund, and for each Manager;
- At least quarterly, provide the Committee with analyses of Fund performance relative to market indices or custom indices as may be agreed upon with the Committee, on a total Fund basis and for each Investment Manager,
- provide such other information and analysis as the Committee may from time to time as requested.

2.6 The Actuary

The Actuary shall:

- perform actuarial valuations of the Plan as required, but no less frequently than every three years
- advise the ~~Pension~~ Committee on any matters relating to Plan design, funding, and regulatory matters,
- assist the ~~Pension~~ Committee in any other way as required in order for the Committee to meet its fiduciary duties;.

2.7 The Consultants

The Consultants may:

- from time to time assist the Committee ~~may engage experts to assist them~~ in meeting their fiduciary responsibilities in managing the Fund.–

Such consultants shall:

- provide advice and deliverables to the Committee per the terms of the engagement;
- adhere to this policy as per section 2.3 of the Statement.

Section 3 – Investment Beliefs

3.1 The Committee has from time to time reviewed and confirmed its investment beliefs.

Currently, the Committee believes:

- that equity investments will provide greater long-term returns than fixed income investments, although with greater short-term volatility;
- that it is prudent to diversify the Fund across the major asset classes;
- that a meaningful allocation to foreign equities increases portfolio diversification and thereby decreases portfolio risk while, at the same time, providing the potential for enhanced long-term returns;
- that investment managers with active mandates can add after-fee value mostly through security selection strategies and/or reduce portfolio risk below market risk; ~~and that most of the Fund should be allocated to such managers;~~
- that investment managers with active balanced mandates can add incremental value through their short-term and mid-term asset allocation strategies and/or reduce portfolio risk below the risk of a portfolio with a static asset mix, and that a portion of the Fund should be allocated to such managers;

- that multiple investment managers are appropriate, given the size of the Fund, provided they offer asset class or style diversification;
- that the overall Fund should be rebalanced within prescribed limits to manage the risk of-
 - deviating too far away from the Benchmark Portfolio; and
- that it is prudent to manage currency risk on a non-speculative, non-leveraged manner to control the overall foreign currency exposure of the Fund.

3.2 Responsible Investing

3.2.1 Principles and Scope

3.2 ~~Carleton~~The University (the “University”) provides pension benefits to its employees through the ~~Carleton University Retirement Plan (“the Plan”).~~Plan. The primary goal of the Plan is to assist Plan beneficiaries in providing for a financially-secure retirement income at a reasonable cost. The University as Administrator under the Pension Benefits Act, has a fiduciary duty to act in the long-term best interest of the beneficiaries of the Plan. The ~~Pension~~Committee (the “Committee”) in carrying out its functions per the Plan Text, also has a fiduciary responsibility to the Plan beneficiaries. The prudent and effective management of the ~~Retirement Fund (“the Fund”)~~ as described in this Statement has a direct impact on the achievement of this goal.

3.3 The development of ~~this policy~~ the Responsible Investing Policy is guided by certain principles as they relate to responsible investing.- These are:

- That the fund should be invested to achieve the best possible risk-adjusted rate of return on the Fund's assets.
- That portfolio diversification is necessary to achieve these returns.
- That responsible corporate behaviour with respect to environmental, social and governance (ESG) factors can have a positive effect on long-term financial performance (to varying degrees across companies, sectors, regions, assets classes and time).
- That taking into account ESG issues may better align the portfolio with the interests of our stakeholders.
- That imposing constraints or negative screens on portfolio investments may increase risk or reduce returns or both.
- That stewardship by investors may be an effective way to encourage responsible corporate behaviour.

3.4 The University is a signatory to the United Nations-supported Principles for Responsible Investment (PRI) which are considered best practice in the area of responsible investing. As a signatory, the University commits to the following Principles:⁴

- Incorporate ESG issues into investment analysis and decision-making processes.
- Be an active owner and incorporate ESG issues into ownership policies and practices.
- Seek appropriate disclosure on ESG issues by the entities in which it invests.
- Promote acceptance and implementation of the Principles within the investment industry.
- Work together with other signatories to enhance its effectiveness in implementing the Principles.
- Report on its activities and progress towards implementing the Principles.

The Responsible Investing Policy applies to all Fund assets, unless otherwise specified. ~~External investment counsel must follow the The Policy when investing assets allocated to them for investment.~~

⁴ For information on how the Responsible Investing Policy aligns with the PRI Principles, see Section 3.2.7.

3.2.2 Definitions

ESG factors are environmental, social, outlines the beliefs, commitments, and governance factors that can impact the value of investments.

Responsible investing is the incorporation of ESG to the management of the Fund, including:

- **ESG integration:** consideration of material ESG risks and opportunities in investment decision-making, alongside financial considerations, with the objective of enhancing portfolio returns.
- **Stewardship:** exercising influence on investees relating to ESG matters, through:
 - **Engagement:** dialogue with investees to address ESG concerns and encourage improvements in ESG performance.
 - **Proxy voting:** considering ESG factors when exercising voting rights associated with listed equity investments.

3.2.33.5 approach to Responsible Investing Approach.

The Fund is managed by external investment counsel, impacting the University's ability to influence the selection of individual investments and undertake direct stewardship with investees. Therefore, the Policy primarily is applied by requiring investment counsel and other service providers to incorporate ESG issues into investment analysis and decision-making, and to undertake stewardship.

- Investment counsel are required to integrate consideration of material ESG risks and opportunities to the investment decision-making process, alongside financial considerations.
- Investment counsel are required to undertake ongoing monitoring of the Fund's investments relating to ESG factors. Where this monitoring identifies significant ESG concerns relating to an investment, investment counsel are expected to engage with the investee to address these concerns, and to inform the Committee.
- The exercise of all voting rights acquired through the Fund is delegated to investment counsel. Investment counsel are required to provide to the Committee the voting rights policies that set out their approach to proxy voting. Investment counsel are expected to take ESG considerations into account in proxy voting, and are encouraged to adopt proxy voting guidelines that address ESG factors.

These expectations are communicated to current and potential investment counsel and other

~~service providers, including through this Policy. The quality and rigor of the ESG approach is considered in the selection and monitoring of investment counsel, all of which are required to be PRI signatories.~~

~~Investment~~ counsel are required to report no less frequently than annually to the Pension Committee regarding:

- ~~• The processes by which ESG factors are integrated into the investment decision-making process, portfolio monitoring, and stewardship.~~
- ~~• Stewardship activities undertaken with investees on ESG matters.~~
- ~~• Proxy voting records, including voting rationales and departures from, or exceptions to, voting rights policies.~~

~~It is believed that engagement on ESG matters by a group of investors will often have greater influence than a single investor acting alone. Where it is believed that the Fund's participation could add value, the Fund may engage directly with investees, typically through collaborative initiatives. The Fund may also participate in coalitions and/or industry groups that advance ESG disclosure and standards or support ESG principles within the investment industry.~~

~~3.2.4 Responsible Investing Priorities~~

~~Investment counsel are expected to consider all material ESG factors and be mindful of the interplay between those factors when analysing investments. While all relevant ESG factors should be considered in investment decision-making, the following are some of the important strategic priorities for the University:~~

- ~~• Climate Change~~
- ~~• Indigenous Rights~~
- ~~• Human Rights, including Accessibility and LGBTQ2S+ Rights~~
- ~~• Diversity, Equity and Inclusion~~
- ~~• Mental Health and Wellness~~

~~The responsible investing initiatives relating to each of these priorities will be further developed over time.~~

~~3.2.5 Climate Change~~

~~It is recognized that climate change is one of the ESG factors with the most significant potential to impact the value of investments across all sectors, through risks and opportunities associated~~

~~with both the physical impacts of climate change and the transition to a low carbon economy. The Committee believes that climate-related risks can be mitigated by adopting a portfolio decarbonization strategy, including the following elements:~~

- ~~• Measuring and disclosing portfolio carbon emissions.~~
- ~~• Setting targets for reducing portfolio carbon emissions aligned with global climate goals, including the achievement of net zero greenhouse gas (GHG) emissions by 2050, and consistent with the University's investment responsibility. Progress on portfolio carbon emissions reduction and the impact of targets on investment performance will be assessed annually, and targets will be reviewed at least once every five years.~~
- ~~• Engaging with investment counsel on climate investment strategy and portfolio carbon emissions.~~
- ~~• Requiring investment counsel to undertake stewardship with investees on climate change-related matters.~~
- ~~• Encouraging investment counsel to publicly support the Paris Agreement climate goals and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).²~~

3.2.6 Governance and Transparency

~~The Board of Governors:~~

- ~~• Undertakes annual approval of the Policy as recommended by the Pension Committee. Such approval is undertaken by the Finance Committee of the Board and then the Board of Governors.~~

~~The Pension Committee:~~

- ~~• Reviews the Policy at least annually and recommends approval to the Finance Committee of the Board.~~
- ~~• Monitors the implementation of the Policy on a quarterly basis.~~
- ~~• Ensures internal and external resources are available for implementation of the Policy.~~

² The University supports the imperative to address climate change and acknowledges that achieving the Paris Agreement goal of limiting the rise in global average temperature to well below 2°C requires the global economy to achieve net zero greenhouse gas (GHG) emissions by 2050. The University supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) for disclosure of climate-related risks and opportunities.

The Office of Pension Fund Management supports the Pension Committee by:

- Developing and implementing frameworks for incorporating ESG into the investment-counsel selection and monitoring process, and for monitoring the Fund on ESG matters.
- Reviewing investment counsel reporting and disclosures for consistency with the Policy.
- Providing quarterly reporting to the Committee on the implementation of the Policy.
- Prepares an annual Responsible Investing Report for disclosure to Plan stakeholders.

To provide transparency on the implementation of the Policy, the following disclosures will be developed:

- This Policy
- An annual Responsible Investing Report that includes:
 - Information on investment counsel ESG policies, practices and stewardship activities, including engagement and proxy voting.
 - Climate-related disclosures aligned with the Task Force on Climate-related Financial Disclosure (TCFD) recommendations, including portfolio carbon metrics and progress against portfolio carbon targets, once established.

3.2.7 Alignment of Responsible Investing Policy with PRI Principles

PRI Principles	Fund Responsible Investing Practices
<p><i>Principle 1:</i> We will incorporate ESG issues into investment analysis and decision-making processes.</p>	<p>Investment counsel are required to integrate consideration of material ESG risks and opportunities to the investment decision-making process, alongside financial considerations.</p> <p>Portfolio carbon emissions will be measured and disclosed, and targets will be set for reducing portfolio carbon emissions aligned with global climate goals and consistent with fiduciary responsibility.</p>
<p><i>Principle 2:</i> We will be active owners and incorporate ESG issues into our ownership policies and practices.</p>	<p>Investment counsel are required to undertake stewardship with investees.</p> <p>Investment counsel are required to undertake ongoing monitoring of the Fund's investments relating to ESG factors. Where this monitoring identifies significant ESG concerns relating to an investment, investment counsel are expected to engage with the investee to address these concerns, and to inform the Committee.</p> <p>Investment counsel are required to provide the voting rights policies that set out their approach to proxy voting. Investment counsel are expected to take ESG considerations into account in proxy voting, and are encouraged to adopt proxy voting guidelines that address ESG factors.</p>
<p><i>Principle 3:</i> We will seek appropriate disclosure on ESG issues by the entities in which we invest.</p>	<p>The Fund may participate in coalitions and/or industry groups that advance ESG disclosure and standards.</p> <p>The University supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) for disclosure of climate-related risks and opportunities.</p>
<p><i>Principle 4:</i> We will promote acceptance and implementation of the Principles within the investment industry.</p>	<p>Responsible investing expectations are communicated to current and potential investment counsel and other service providers. The quality and rigor of the ESG approach is considered in the selection and monitoring of investment counsel, all of which are required to be PRI signatories.</p> <p>The Fund may participate in coalitions and/or industry groups that support ESG principles within the investment industry.</p>
<p><i>Principle 5:</i> We will work together to enhance our effectiveness in implementing the Principles.</p>	<p>Where the Fund's participation could add value, the Fund may engage directly with investees, typically through collaborative initiatives.</p> <p>Carleton participates alongside other Canadian universities in the collaborative engagement initiative University Network for Investor Engagement (UNIE).</p>
<p><i>Principle 6:</i> We will each report on our activities and progress towards implementing the Principles.</p>	<p>An Annual Responsible Investing Report will be developed.</p>

Section 4 – Managers, Mandates and Objectives

- 4.1 The Committee has retained the following external Managers and assigned them the investment mandates shown:

Manager	Mandate
Phillips, Hager & North Investment Mgmt Ltd.	Domestic Balanced – Active
Foyston, Gordon & Payne, Inc.	Canadian Equities – Active
MFS Investment Management Canada Ltd.	Domestic Balanced – Active
MFS Investment Management Canada Ltd.	Non-Canadian Equities – Active
Alliance Bernstein	Non-Canadian Equities – Active
William Blair	Emerging Markets Equities - Active
Global Infrastructure Partners	Infrastructure
Macquarie Infrastructure Partners II	Infrastructure
Macquarie European Infrastructure Fund III	Infrastructure
Brookfield Infrastructure Fund III	Infrastructure
JP Morgan Infrastructure Investment Fund	Infrastructure
Mackay Shields LLC	High Yield Debt
Brandes Investment Partners	Global Small Cap Equities - Active
State Street Global Advisors	Strategic Currency Hedge

- 4.2 The Committee expects that the annualized returns of the Manager’s portfolio and its component asset classes shall exceed the returns of the representative benchmark indexes plus the value-added targets identified below for that Manager. Total portfolio value-added shall be the principal measure of performance; asset class value-added shall be a supplemental measure of performance.
- 4.3 A secondary performance objective for an active Manager shall be to equal or exceed the median of the returns of other managers with comparable mandates in a well-recognized manager performance universe, on an asset class level.

4.14.4 The Committee expects that the volatility of a Manager’s quarterly returns shall be equal to or less than the median volatility of other managers with comparable mandates in a well-recognized manager performance universe.

4.24.5 For the purpose of measuring rates of return for the Managers, all returns shall be measured before investment management fees, but after transaction costs, and over rolling four-year periods. All index returns shall be total returns. All foreign index returns shall be Canadian dollar returns. The returns of all portfolio benchmarks utilizing more than one asset class shall be calculated assuming quarterly rebalancing.

4.44.6 In the benchmark tables below, the portfolio benchmark allocations and the minimum and maximum ranges are measured at market value.

Balanced Benchmark for Phillips, Hager & North

Asset Class	Benchmark Index	Min. (%)	Max. (%)	Portfolio Benchmark (%)	Value-Added Target (% / annum)
Cash and Short-Term	FTSE Canada 91-Day T-Bill	0	10	0	0.00
Fixed Income	FTSE Canada Bond Universe	55	75	65	0.35

Canadian Equities	S&P/TSX Capped Composite Index	25	45	35	1.50
Total *	Portfolio Benchmark			100	0.75

*Includes value-added expectation for asset mix management.

Benchmark for Foyston, Gordon & Payne, Inc.

Asset Class	Benchmark Index	Min. (%)	Max. (%)	Portfolio Benchmark (%)	Value-Added Target (% / annum)
Canadian Equities	S&P/TSX Capped Composite Index	100	100	100	1.50
Total	Portfolio Benchmark			100	1.50

*Operational cash is allowed up to 5% of the portfolio.

MFS Investment Management Canada, Ltd.

Asset Class	Benchmark Index	Min. (%)	Max. (%)	Portfolio Benchmark (%)	Value-Added Target (% / annum)
Cash and Short-Term	FTSE Canada 91-Day T-Bill	0	10	0	0.00
Fixed Income	FTSE Canada Bond Universe	30	50	40	0.35
Canadian Equities	S&P/TSX Capped Composite Index	50	70	60	1.50
Total *	Portfolio Benchmark			100	1.00

* Includes value-added expectation for asset mix management.

Non-Canadian Equity Benchmark for MFS Investment Management Canada Ltd.

Asset Class	Benchmark Index	Min. (%)	Max. (%)	Portfolio Benchmark (%)	Value-Added Target (% / annum)
Non-Canadian Equities	MSCI World	100*	100	100	1.5

* Operational cash is allowed up to 5% of the portfolio.

Non-Canadian Equity Benchmark for Alliance Bernstein

Asset Class	Benchmark Index	Min. (%)	Max. (%)	Portfolio Benchmark (%)	Value-Added Target (% / annum)
Non-Canadian Equities	MSCI World	100*	100	100	1.5

* Operational cash is allowed up to 5% of the portfolio.

Non-Canadian Equity Benchmark for William Blair

Asset Class	Benchmark Index	Min. (%)	Max. (%)	Portfolio Benchmark (%)	Value-Added Target (% / annum)
Emerging Market Equities	MSCI Emerging Markets	100*	100	100	1.5

* Operational cash is allowed up to 5% of the portfolio.

Infrastructure Benchmark for Global Infrastructure Partners, Brookfield, Macquarie and JP Morgan Infrastructure Investment Fund

Asset Class	Benchmark Index	Min (%)	Max (%)	Portfolio Benchmark (%)	Value-Added Target (% / annum)
Global Infrastructure	CPI + 54 .0%	100*	100	100	1.5

* Operational cash is allowed up to 5% of the portfolio.

High-Yield Debt Benchmark for Mackay Shields LLC

Asset Class	Benchmark Index	Min. (%)	Max. (%)	Portfolio Benchmark (%)	Value-Added Target (% / annum)
High-Yield Debt	Merrill Lynch U.S. High Yield Constrained Index	100*	100	100	0.75

* Operational cash is allowed up to 5% of the portfolio.

Global Small Cap Equity Benchmark for Brandes Investment Partners

Asset Class	Benchmark Index	Min. (%)	Max. (%)	Portfolio Benchmark (%)	Value-Added Target (% / annum)
Global Small Cap Equities	MSCI World Small Cap Index	100*	100	100	1.00

* Operational cash is allowed up to 5% of the portfolio.

Reasons for Termination of Managers

4.34.7 The Committee shall from time to time determine whether any or all of the Managers should be replaced. Although not limited to the reasons set out below, a Manager may be replaced due to:

- failure by a Manager to meet the value-added performance targets set out in herein;
- a change in a Manager's ownership or key personnel;
- a desire to change the investment management structure;
- a failure to satisfy the requirements of Section 2;
- a failure to adhere to the investment constraints set out in the Statement and Guidelines;
- a change in a Manager's investment process or style; and
- an increase in investment management fees.

Section 5 – Monitoring and Control

5.1 Performance

The performance of the Investment Managers will be reviewed at least quarterly by the Committee. Both quantitative and qualitative criteria will be used, including those listed in ~~section~~Section 4.6 of the Appendix.

In cases of ~~manager~~Manager underperformance, the Committee will undertake a detailed review of the ~~manager~~Manager and record same in the Committee minutes and/or notes held in the Office of Pension Fund Management.

5.2 Compliance Reporting by Investment Managers

Each Fund Manager is required to complete and deliver a compliance report to the Committee on a quarterly basis. The report will indicate compliance with this policy. In the event that a Manager is not in compliance with this policy, the Manager shall advise the Committee immediately and recommend a course of action to remedy the situation.

5.3 Selection of Investment Managers and Consultants

In the event that a new Investment Manager must be hired, whether to replace a terminated manager or to expand the existing Manager structure, the Committee will undertake an Investment Manager search ~~with the assistance of a third-party investment consultant.~~ The criteria for selecting new managers will be consistent with the investment beliefs outlined in Section 3 of the Implementation Guidelines, the fit of the Manager within the policy asset mix and existing manager-

structure, and the investment constraints detailed in ~~section~~Section 6. Other factors include, but are not limited to, the investment style and process of the Manager, risk controls, depth of key personnel, and organizational stability.

The process for selecting consultants to assist the Committee in the discharge of its duties shall follow the guidelines applicable to the Broader Public Sector for the sourcing of such services.

5.4 Control Reporting by Custodian

Annually, the Custodian will be required to provide a Service Organization Control report to the Office of Pension Fund Management and to the external auditors for the Fund.

To:	Board of Governors	Date of Report: 13 March 2023
From:	Finance Committee	Date of Meeting: 24 April 2023
Subject:	Statement of Investment Policies and Procedures for the Endowment Fund	
Responsible Portfolio:	Vice-President (Finance and Administration)	

1.0 PURPOSE

For Approval For Information For Discussion

2.0 MOTION

On the recommendation of the Finance Committee, move to approve the Statement of Investment Policies and Procedures (SIPP) for the Endowment Fund (the Fund), dated June 1, 2023, as presented.

3.0 EXECUTIVE SUMMARY

The Fund is governed by an Investment Committee who oversees the management of the various funds, monitors compliance, reviews the distribution rate, appoints and terminates investment managers and rebalances the Fund as appropriate. The Investment Committee has reviewed the SIPP and made modifications from the prior version approved as of June 1, 2021.

4.0 INPUT FROM OTHER SOURCES

The draft SIPP, effective June 1, 2023, as recommended by the Investment Committee is attached for approval.

5.0 ANALYSIS AND STRATEGIC ALIGNMENT

The SIPP is the governing document that provides broad investment guidelines for the management of the Fund.

Most of the changes were administrative in nature. Material changes included the following:

- Section 4.8 – Infrastructure benchmark changed from CPI+5% to CPI+4%;
- Section 4.12 – Added a rebalancing timeline of six months if asset mix ranges are breached;
- Section 5.1.5 – Added minimum ratings for short-term cash instruments; and,
- Section 6 – Updated responsible investing section to refer to stand alone policy;

There were no changes to the mandates of the external Investment Managers who manage the assets.

6.0 FINANCIAL IMPLICATIONS

The SIPP of the Fund outlines the broad investment guidelines to deliver a return that provides a steady flow of income, in perpetuity, to meet expenditure requirements of the university. It is also expected that the Fund increase the market value of its investments so as to maintain the real value of its assets after accounting for the annual distribution and inflation.

The lack of a SIPP or the failure to review and update the SIPP could jeopardize the rate of return achieved by the Fund which ultimately leads to a lower distribution rate for the university.

7.0 RISK, LEGAL AND COMPLIANCE ASSESSMENT

The SIPP is reviewed on an ad hoc basis as outlined in the Terms of Reference of the Fund. The SIPP is approved by the Finance Committee of the Board as it supports the university.

The financial stability of the Fund is of strategic importance to the university, given its size (\$350 million), continued growth, and potential for volatility. In the fiscal year, the annual distribution from the Fund was \$13.6 million, providing \$3.8 million for scholarships and awards, \$3.9 million in bursaries, and \$5.9 million in support to other academic and student service initiatives that would otherwise be funded from operations.

Volatility in the distribution would put pressure on the operating budget. A related risk is market risk; i.e. the failure to achieve satisfactory returns due to capital market conditions. Steps are taken to mitigate these risks through oversight and managing the Fund in accordance with the SIPP and its diversified asset mix. It should be noted that the SIPP is based on a long-term assessment of the capital markets and periodic short-term volatility may occur.

The Fund is subject to headline risk as well, and it is important that the Investment Committee and university continue to monitor the investments and Investment Managers, given the responsible investing expectations of stakeholders in the university sector. Failure to do so could result in negative headlines or stakeholder concerns.

8.0 REPUTATIONAL IMPLICATIONS AND COMMUNICATIONS STRATEGY

A significant reputational loss could occur following a negative announcement/news related to financial managements issue at the university. Given the scale and operational importance of the fund, the risk is magnified. The university has a strong communications team and infrastructure along with flexible emergency communications response plans to support if needed.

9.0 OVERALL RISK MANAGEMENT ANALYSIS

	VERY LOW	LOW	MEDIUM	HIGH	VERY HIGH
STRATEGIC	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LEGAL	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OPERATIONAL	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TECHNOLOGICAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FINANCIAL	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
REPUTATIONAL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Statement of Investment Policies and Procedures

Carleton University Endowment Fund

June 1, ~~2021~~2023

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Section 1 - Purpose of the Investment Policy

~~4.1.1~~ ThisThe Statement of Investment Policies and Procedures (~~this the~~ “Statement”) has been adopted by the Investment Management Committee (the “Committee”), effective June 30, 1997, with subsequent amendments to June 1, ~~2019~~2023.

~~2.1.2~~ The Committee, the ~~investment counsel~~Investment Managers (the “Managers”) and any agent or adviser providing services in connection with the investment of the Carleton University Endowment Fund (the “Fund”) accepts and adheres to this Statement.

~~3.1.3~~ This Statement provides broad investment guidelines for the management of the Fund. The management of the assets of the Fund is delegated to ~~professional investment counsel~~Managers.

~~4.1.4~~ The mandate of each ~~professional investment counsel~~Manager appointed shall be determined by the Committee.

~~5.1.5~~ The primary purpose of this document is to ensure the prudent investment and administration of the Fund.

~~6.1.6~~ The Fund has the following objectives:

- ~~1.6.1~~ 1.6.1 to provide a steady flow of income, in perpetuity, to meet expenditure requirements. -Ideally the income stream should grow each year in order to maintain the purchasing power of the funds being disbursed; and,

- ~~1.6.2~~ 1.6.2 to increase the market value of the funds so that capital, in real terms, is maintained. -This is achieved by increasing the balance held in the ~~endowed~~ Fund by an annual amount that offsets inflationary erosion.

~~7.1.7~~ To meet the above objectives, ~~the~~Carleton University (~~the~~ “University”) has chosen to invest the Fund in a diversified portfolio ~~of Canadian and foreign equities, Canadian fixed income securities, infrastructure, and cash and cash equivalents~~.

~~8.1.8~~ ~~Endowed funds are to~~The Fund will be invested in accordance with this policy, unless otherwise bound by contract or by donor specifications.

Section 2 - General Philosophy

- ~~4.2.1~~ The Fund is to be held by the University in perpetuity, with the expectation that its capital will grow at a rate approximately equal to inflation to ensure maintenance of its real value. -The Fund is also expected to generate funds at a level sufficient to meet its annual obligations. -To do so, the University has chosen to invest the Fund in a diversified portfolio ~~of Canadian and foreign equities, fixed income securities, and infrastructure investments.~~
- ~~2.2.2~~ A long-term asset mix policy ~~of 65% has been established in equities, 20% in fixed income and 15% in infrastructure will~~ Section 4 to provide an investment strategy that will balance the competing needs of a stable income stream and long-term growth of the Fund.
- ~~3.2.3~~ External ~~investment counsel~~ Managers will manage the Fund. ~~Investment counsel~~ Managers will report to the Committee on the performance of the Fund no less frequently than semi-annually. - The performance of the Fund will be reported at least semi-annually to the Finance Committee of the Board of Governors. -For greater certainty, each ~~investment counsel~~ Manager shall be subject to the provisions of Section ~~409~~ - Compliance of Fund Investment with Applicable Law.

Section 3 – Expenditure Rate

~~4.3.1~~ The University maintains separate accounts for all sources of restricted funds.

~~2.3.2~~ An expenditure rate of 4.0% of the moving average market value of the Fund over a four year period will be made available to meet University obligations. -This allows for the smoothing of unusual peaks and troughs in market performance thereby stabilizing the expenditure rate on a year-by-year basis. -This expenditure rate will be reviewed by the Committee annually for appropriateness.

~~3.3.3~~ The difference between the total Fund rate of return, the expenditure rate, and such administration levy as may be applied from time to time, will be added to the Fund. -This is intended to preserve the real value of the Fund over time.

~~4.3.4~~ Notwithstanding the above, where required by donor specification, the expenditure rate will be in accordance with the specific goals of the programme or donor. -Examples of such specifications are:

~~3.4.1 a)~~ an endowment whereby all the interest is paid out; and,

~~b)~~ an endowment whereby the interest plus a portion of the capital is expended

~~3.4.2~~ —each year, thereby over time reducing the amount in such particular fund to zero.

Section 4 - Asset Mix Policy and ~~its Practical Implications~~ Diversification Policy

Expected Returns

1. The ~~central asset mix policy~~ expected return objectives of the Fund ~~shall be~~ as follows:

2.4.1 The Committee expects the total annualized returns of the Fund to exceed by 1.00% the returns that could have been earned by passively managing the Benchmark Portfolio, assuming quarterly rebalancing of the Benchmark Portfolio. ~~For the purpose of measuring rates of return of the Fund, all returns shall be measured before investment management fees, but after transaction costs, and over rolling four-year periods. All index returns shall be total returns. All foreign index returns shall be Canadian dollar returns.~~

3.4.2 To achieve its rate of return objectives, the Committee shall recommend the appointment of Managers. ~~The Managers will be assigned such mandates and performance targets as the Committee deems to be in the best interests of the Fund. The Committee shall monitor the Managers both qualitatively and quantitatively. For greater certainty, each Manager shall be subject to the provisions of Section 409 - Compliance of Fund Investment with Applicable Law.~~

Benchmark Portfolio

4.3 ~~In the absence of~~ If more than one investment counsel is employed, each will management skills, participation in the capital markets can be achieved by investment in the following Benchmark Portfolio:

<u>Asset Class</u>	<u>Benchmark Index</u>	<u>Benchmark Portfolio (%)</u>
<u>Cash and Short-Term</u>	<u>FTSE Canada 91-Day T-Bill Index</u>	<u>0.0</u>
<u>Fixed Income</u>	<u>FTSE Canada Bond Universe Index</u>	<u>20</u>
<u>Canadian Equities</u>	<u>S&P/TSX Capped Composite Index</u>	<u>30</u>
<u>Global Equities</u>	<u>MSCI World Index</u>	<u>35</u>
<u>Infrastructure</u>	<u>CPI+4%</u>	<u>15</u>

4.4 ~~Given the~~ given a central asset mix policy (which may differ from one investment counsel to another), such that the aggregate of all the central policies will of the Fund, the return on the Fund would then be the asset mix defined return of the Benchmark Portfolio.

4.4.5 Managers have been selected in the expectation that their combined judgments will, over time, enable the Fund to earn a return in excess of the Benchmark Portfolio above in Section 4.1 for the total Fund, after payment of transaction costs and investment management fees.

4.6 While the total performance of the Fund is the main consideration, the Committee will also monitor each Manager’s skill in managing each relevant asset class.

4.7 All measures of performance shall be calculated by an agent independent of the University and Managers, and shall be based on methods either commonly accepted in Canada or justified by sound investment principles.

Asset Mix Policy

4.8 The ~~market values of the individual~~central asset ~~components~~mix policy of the Fund shall be ~~within the following minimum and maximum aggregate investment limits~~as follows:

Asset Class	Minimum (%)	Benchmark (%)	Range Maximum (%)
<u>Cash and Short-Term</u>	<u>0.0</u>	<u>0.0</u>	<u>5.0</u>
Fixed Income	10.0	20.0	30.0
Equities			
<u>Canadian Equities</u>	<u>20.0</u>	<u>30.0</u>	<u>40.0</u>
<u>Global Equities</u>	<u>25.0</u>	<u>35.0</u>	<u>45.0</u>
<u>Total Equities</u>	55.0	65.0	75.0
Infrastructure	5.0	15.0	15 <u>20.0</u>

4.9 Notwithstanding the asset mix ranges shown above, the Committee may authorize temporary asset mix positions outside those ranges to accommodate a Fund restructuring, a Manager restructuring, or a Manager request submitted in writing and providing the rationale for the request.

Rebalancing Policy

4.10 The Committee believes, for the reasons set out below, that it is in the best interests of the Fund to control asset mix deviations:

- 4.10.1 The Committee has adopted the Benchmark Portfolio and ranges based on the acceptability to the Committee of its risk/return trade-offs. Significant asset mix deviations from the Benchmark Portfolio would for the Committee’s purposes be sub-optimal.

~~8.0-04.10.2~~ 4.10.2 The Committee has established the investment manager asset class

structure to achieve goals of diversification and efficiency.

4.11 Therefore, the Committee may, from time to time and in its absolute discretion, rebalance the actual asset mix back to the Benchmark Portfolio so as to align the two more closely. Between rebalancing events, cash flow may be used to rebalance towards the asset mix of the Benchmark Portfolio.

4.12 If any asset class is outside the allowable range set out in Section 4.8 the Committee will rebalance the portfolio to more closely align with the Benchmark Portfolio no later than six months following the breach.

4.13 Infrastructure assets are, by their nature, illiquid and may not be able to be rebalanced immediately; however, the objective is to methodically move the allocation to within the investment policy range as soon as practicable.

4.14 Endowed funds subject to Section 1.8 donor specifications or contract obligations are not subject to the asset mix guidelines or rebalancing policy of Section 4.

4.15 The central asset mix policy should be the one followed by the Fund, in the absence of any opinion on the part of a Manager that any asset class offers particularly favourable opportunities at any time. If such opinions are held, the Fund may deviate appropriately from the central asset mix policy, within limits to be prescribed to each Manager.

Section 5 - Permitted Investments and Constraints

Permitted Investments

4.5.1 In general and subject to the restrictions noted below, the Fund may be invested in any of the investment instruments listed below:

5.1.1 ~~a)~~ Canadian Equities

- Securities registered on a Canadian stock exchange;
- common and convertible preferred stock;
- debentures convertible into common or convertible preferred stock;
- rights, warrants and special warrants for common or convertible preferred stock
- private placements of equities.

5.1.2 ~~b)~~ Non-Canadian Equities

- Securities registered on a non-Canadian stock exchange
- common and convertible preferred stock;
- debentures convertible into common or convertible preferred stock;
- rights, warrants and special warrants for common or convertible preferred stock;
- American Depository Receipts;
- private placements of equities.

5.1.3 ~~c)~~ Canadian Fixed Income

- bonds, debentures, notes, non-convertible preferred stock and other evidence of indebtedness of Canadian issuers and supra-national issuers, such as the World Bank, whether denominated and payable in Canadian dollars or a foreign currency;
- NHA insured mortgage-backed securities;
- term deposits and guaranteed investment certificates;

- ~~d)~~ The minimum quality standard for individual bonds and debentures are investment grade “BBB-” or equivalent as rated by a recognized bond rating agency, at the time of purchase.

5.1.4 Non Canadian Debt Instruments

- bonds, debentures, notes, non-convertible preferred stock and other evidence of indebtedness of non-Canadian issuers;

- ~~e)~~ The minimum quality standard for individual bonds and debentures are investment grade “BBB-” or equivalent as rated by a recognized bond rating agency, at the time of purchase.

5.1.5 Cash and Short Term Investments

- Cash on hand and demand deposits;
- treasury bills issued by the federal and provincial governments and their agencies;
- obligations of trust companies and Canadian and foreign banks chartered to operate in Canada, including bankers' acceptances;
- commercial paper ~~and term deposits;~~ with a minimum rating of R-1 (low) from DBRS or A1- from S&P
- term deposits from a Tier-1 Canadian bank; and,
- deposit accounts of the custodian to invest surplus cash holdings.

5.1.6 ~~f)~~ Real Estate

- common and convertible stock in real estate corporations
- units of a pooled fund that invests in real estate.

5.1.7 Infrastructure

—Infrastructure investments will be held through private long-term investment funds. -The

- investment criteria for each fund (eg. type of assets, geographic and sector focus) are outlined in the respective Private Placement Memoranda and related documents such as side letters.

Minimum Quality Requirement

~~2. The portfolio should hold a prudently diversified exposure to the intended market.~~

- ~~• The minimum quality standard for individual bonds and debentures is "BBB" or equivalent as rated by a recognized bond rating agency, at the time of purchase.~~

~~• 1.1 All investments shall be reasonably liquid (i.e. - in normal circumstances they should be capable of liquidation within 12 months).~~

3.5.2 Investments may be made in the above asset classes either directly, or by holding units of a pooled, segregated or mutual trust fund investing in one or more of the asset classes.

Investments Requiring Prior Written Approval

The Managers Constraints

5.3 All investments shall be reasonably liquid (i.e. - in normal circumstances they should be capable of liquidation within 12 months).

5.4 Any asset that is not capable of being traded frequently shall have its market value appraised by a qualified independent agent at intervals not exceeding one year.

5.5 Interim reappraisals may be established by Managers, provided that the principles underlying such reappraisals are consistent with the principles underlying the external appraisals, and any such reappraisals resulting in a value different by at least 10% from the last externally appraised value shall be confirmed by a further external appraisal.

4.5.6 The Manager shall not make investments in investment categories other than those explicitly permitted in this Statement, unless the Committee first consents in writing.

Other Constraints

5.5.7 The Fund shall not borrow funds to acquire securities or otherwise deal in margin trading.

All investments shall be made in accordance with the Code of Ethics and Standards of 5.8 —Practice of the CFA Institute.

Exceptions to this Statement

6.5.9 If at any time an investment or group of investments does not conform with the limitations provided herein, the Manager, in consultation with the Committee, shall use its best judgment as to the action required to correct the situation. If it appears that the situation shall be corrected within a reasonably short period of time through cash flow into the Fund, the Manager – with the approval of the Committee – may elect not to liquidate the temporarily non-conforming investments.

5.10 The Committee may direct a Manager to deviate from the investment guidelines of this Statement with respect to a portion of the Fund. Such direction shall be in writing and shall specify the value of the assets to be invested and how those assets are to be invested. -Unless instructed otherwise by the Committee in the written direction, each Manager shall invest the remaining portion of the Fund according to the normal investment guidelines of this Statement as if the assets subject to the special instructions were not part of the Fund. -Notwithstanding this paragraph, any deviation from the investment guidelines of this Statement shall continue to comply with Section 409 - Compliance of Fund Investment with Applicable Law.

5.11 To the extent that the Committee invests all or part of the Fund in a Manager's pooled trust funds or private investment trust funds, the foregoing investment constraints, and any other provisions of this Statement that may be affected, shall not apply, but the Manager shall be governed by the Manager's own investment policy for the pooled funds or private investment funds. The Manager shall provide such policy to the Committee

and shall inform the Committee when and how the guidelines of such pooled funds or private investment funds differ from the guidelines of this Statement. Notwithstanding this paragraph, however, Section ~~409~~ - Compliance of Fund Investment with Applicable Law shall continue to apply to any such investment and Manager.

Section 6 - Investment Beliefs

6.1 The Committee has from time to time reviewed and confirmed its investment beliefs. Currently, the Committee believes:

- 6.1.1 that equity investments will provide greater long-term returns than fixed income investments, although with greater short-term volatility;
- 6.1.2 that it is prudent to diversify the Fund across the major asset classes;
- 6.1.3 that a meaningful allocation to foreign equities increases portfolio diversification and thereby decreases portfolio risk while, at the same time, providing the potential for enhanced long-term returns;
- 6.1.4 that ~~investment managers~~Managers with active mandates can add after-fee value mostly through security selection strategies and/or reduce portfolio risk below market risk, ~~and that most of the Fund should be allocated to such managers;~~
- 6.1.5 that multiple ~~investment managers~~Managers are appropriate, given the size of the Fund, provided they offer asset class or style diversification; and
- 6.1.6 that the overall Fund should be rebalanced within prescribed limits to manage the risk of deviating too far away from the Benchmark Portfolio.

Responsible Investing

9.16.2 The goal of the University with respect to the Fund is to provide a steady flow of income in perpetuity to meet expenditure requirements while at the same time increasing the market value of the Fund so that capital, in real terms, is maintained. The prudent and effective management of the Fund as described in this Statement has a direct impact on the achievement of this goal.

9.26.3 The University is guided by certain principles as they relate to responsible investing. These are:

- 9.2.16.3.1 That the Fund will strive to achieve the best possible risk-adjusted rate of return on the Fund's assets;
- 6.3.2 That portfolio diversification is necessary to achieve these returns;
- 6.3.3 That responsible corporate behaviour with respect to environmental, social and governance (ESG) factors can have a positive effect on long-term financial performance (to varying degrees across companies, sectors, regions, assets

classes and time);

- 6.3.4 That taking into account ESG issues may better align the portfolio with the interests of our stakeholders;

- 6.3.5 That imposing constraints or negative screens on portfolio investments may increase risk or reduce returns or both; and,

6.3.6 That stewardship by investors is an effective way to encourage responsible corporate behaviour.

6.4 The University is a signatory to the United Nations-supported Principles for Responsible Investment (PRI), which are considered best practice in the area of responsible investing. -As a signatory, the University commits to the following Principles:

- 6.4.1 Incorporate ESG issues into investment analysis and decision-making processes;

6.4.2 Be an active owner and incorporate ESG issues into ownership policies and practices;

6.4.3 Seek appropriate disclosure on ESG issues by the entities in which it invests;

- ~~—Promote acceptance and implementation of the processes by which ESG factors are incorporated into the investment decision-making process,~~

- ~~6.4.4 Examining ways to support the UNPRI by aligning with coalitions and/or industry groups that support ESG principles~~Principles within the investment industry, and;

- ~~Requiring disclosure of proxy voting records by investment managers.~~

6.4.5 Work together with other signatories to enhance its effectiveness in implementing the Principles; and,

6.4.6 Report on its activities and progress towards implementing the Principles.

6.5 The University will manage the Fund in accordance with its Responsible Investing Policy, which outlines its beliefs, commitments, and approach to Responsible Investing.

Section 7 -- ~~Investment Performance Benchmarks~~

~~1. In the absence of investment management skills, participation in the capital markets can be achieved by investment in the following diversified portfolios:~~

Canadian equities	S&P/TSX Capped Composite Index
Global equities	MSCI World Index
Fixed Income	FTSE TMX Canada Universe Bond Index
Infrastructure	CPI + 5%

~~2. Given the central asset mix policy of the Fund, the return on the Fund would then be 30% of the S&P/TSX Capped Composite Index return plus 35% of the MSCI World Index return, plus 20% of the FTSE TMX Canada Bond Index return, and 15% of a benchmark equal to annual CPI plus 5%.~~

~~3. Professional investment counsel have been selected in the expectation that their combined judgments will, over time, enable the Fund to earn a return in excess of the neutral return specified above, after payment of transaction costs and investment management fees.~~

~~4. Accordingly, the most important performance benchmark against which the Fund's actual performance will be compared is the neutral return specified above.~~

~~5. While the total performance of the Fund is the main consideration, the Committee will also monitor each counsel's skill at market timing and in managing each relevant asset class.~~

~~6. All measures of performance shall be calculated by an agent independent of the University and investment counsel, and shall be based on methods either commonly accepted in Canada or justified by sound investment principles.~~

~~(a) Any asset that is not capable of being traded frequently shall have its market value appraised by a qualified independent agent at intervals not exceeding one year, if its most recently appraised value is at least 5% of the market value of the Fund.~~

~~(b) Interim reappraisals may be established by investment counsel, provided that~~

- ~~i. the principles underlying such reappraisals are consistent with the principles underlying the external appraisals, and~~
- ~~ii. any such reappraisals resulting in a value different by at least 10% from the last externally appraised value shall be confirmed by a further external appraisal.~~

~~(c) Any asset that is not capable of being traded frequently, but has most recently been appraised at less than 5% of the market value of the Fund, shall have its market value appraised by investment counsel at intervals not exceeding one year.~~

Section 8 - Review Procedures

1.7.1 The Committee shall review the performance of each ~~investment counsel~~Manager against the relevant benchmarks and objectives on a quarterly basis, with a view to measuring progress towards the relevant investment objectives.

2.7.2 This Statement of Investment Policies and Procedures shall be reviewed by the Committee no less frequently than annually.

Section 98 - Conflicts of Interest

Conflict of Interest and Procedures for Disclosure

8.1 A conflict of interest refers to a situation where financial, professional or other personal consideration may compromise or have the appearance of compromising an individual's professional judgment in the performance of his or her duties or in the exercise of his or her obligations as a member of the Investment Committee.

A conflict of interest exists where the Member has a personal interest in the matter or owes a duty to act in the matter in the interests of a different person, group of persons, institution or organization.

A conflict of interest may arise in various cases. The following are definitions of the various types of interests that a Member may have, which could give rise to a conflict of interest:

- **Financial Interest:** A member has a pecuniary or financial interest where he or she stands to gain a financial advantage from a decision made. The financial interest may take the form of money, gifts, favors or other special considerations. This does not apply to compensation paid to University employees who are Members of the Investment Committee nor reimbursement of approved expenses to Members of the Investment Committee in the discharge of their duties.

Undue Influence: A private or personal interest that impairs, influence or appears to influence the objective exercise of his or her duties as a member of the Committee.

Adverse Interest: A member is a party to a claim or proceeding against the University.

Personal Relationship: A non-arm's length relationship, including but not limited to family members and persons with whom there is or has recently been a close personal relationship.

Apparent/Perceived Conflict of Interest: A reasonable apprehension which a reasonable person may have, that a conflict of interest exists, even if there is neither a potential nor a real conflict.

Process for Dealing with a Conflict of Interest

8.2 Both prior to serving on the Investment Committee and during their term of office, Members must openly disclose a potential, real or perceived conflict of interest as soon as the issue arises and before the Investment Committee deals with the matter at issue.

If there is any question or doubt about the existence of a real or perceived conflict, the matter may be referred to the Investment Committee, as the case may be, who will determine by majority vote if a conflict exists. The Member potentially in a conflict of interest shall be absent from the discussion and shall not vote on the issue.

It is the responsibility of other Members who are aware of a real, potential or perceived conflict of interest on the part of a fellow Member to raise the issue for clarification, first with

the Member in question and, if still unresolved, with the Chair of the Investment Committee. If a conflict is identified, the Member must abstain from participation in any discussion on the matter, shall not attempt to personally influence the outcome, shall refrain from voting on the matter and, unless otherwise decided by the Investment Committee, must leave the meeting room for the duration of any such discussion or vote.

The disclosure and decision as to whether a conflict exists shall be duly recorded in the minutes of the meeting.

~~8.3~~ ~~9.3~~—The Committee shall satisfy itself that an appropriate policy regarding conflicts of interest exists and is followed by any Manager engaged to manage assets of the Fund. As a minimum, the Code of Ethics and Standards of Professional Conduct adopted by the CFA Institute shall be deemed to apply to such Manager. Any investigation required by the Committee shall be carried out before such ~~manager~~ Manager is engaged.

~~8.4~~ ~~9.4~~—The failure of a person to comply with the procedures described in this Section 8 shall not of itself invalidate any decision, contract or other matter.

~~8.5~~ ~~9.5~~—If after a decision has been made, it comes to the attention of the Committee that a member had or has had a conflict of interest, the Chair will appoint an "ad hoc" committee of the members, excluding the person with the alleged conflict, to review all the circumstances and to recommend to the Committee the action to be taken.

~~8.6~~ ~~9.6~~—This policy shall apply also to the Board of Governors, and any agent or advisor to the Committee who assists the Committee in the execution of its responsibilities.

Related Party Transactions

~~8.7~~ ~~9.7~~—The following related party transactions are permitted for the Plan:

•~~8.7.1~~ any transaction for the operation or administration of the Fund, the terms and conditions of which are not less favourable to the Fund than market terms and conditions and the transaction does not involve the making of loans to, or investments in, the related party.

~~8.8~~ ~~9.8~~—A related transaction is also permitted if the value of the transaction is nominal or immaterial to the Fund. A transaction will be considered to be nominal or immaterial if its value is no more than one percent of the market value of the assets of the Fund at the time the transaction is entered into or completed.

Section ~~409~~ - Compliance of Fund Investment with Applicable Law

~~1.9.1~~ Notwithstanding any other provision in this Statement, this Section ~~409~~ applies to this Statement, including any appendices, and in the event of a conflict between this Section ~~409~~ and any other provision this Section ~~409~~ shall prevail.

~~2.9.2~~ It is intended at all times and the Committee will ensure that the Fund complies with all applicable laws, including in particular sections 27 to 31 of the *Trustee Act* (Ontario), and the requirements of the *Income Tax Act* (Canada) and regulations thereunder and of the Canada Revenue Agency applicable to charitable organizations.

~~3.9.3~~ In investing the Fund property, the Committee will exercise the care, skill, diligence and judgment that a prudent investor would exercise in making investments.

~~4.9.4~~ The Committee may authorize any agent ~~(for example, investment counsel or managers)~~ to exercise any function relating to the investment of the Fund property to the same extent that a prudent investor, acting in accordance with ordinary investment practice, would authorize an agent to exercise any investment function, subject to the following:

~~a.9.4.1~~ The Committee may not authorize an agent to exercise functions on its behalf unless this Statement continues to exist and continues to comprise reasonable assessments of risk and return that a prudent investor could adopt under comparable circumstances, and the Statement continues to be intended to ensure that functions will be exercised in the best interests of the beneficiaries of the Fund.

~~b.9.4.2~~ The Committee may not authorize an agent to exercise functions on its behalf unless a written agreement between the Committee and the agent is in effect and includes:

~~i.9.4.2.1~~ a requirement that the agent comply with this Statement as may _____ be amended from time to time; and,

~~9.4.2.2~~ a requirement that the agent report to the trustee at regular stated _____ intervals.

~~ii.~~

~~e.9.4.3~~ The Committee may not authorize an agent unless it exercises prudence in selecting the agent, in establishing the terms of the agent's authority and in monitoring the agent's performance to ensure compliance with those terms. For this purpose prudence in monitoring an agent's performance includes:

~~i.9.4.3.1~~ reviewing the agent's reports;

~~ii.9.4.3.2~~ regularly reviewing the agreement between the Committee and the _____ agent and how it is being put into effect, including considering whether

_____ this Statement should be revised or replaced, replacing this Statement
_____ if the Committee considers it appropriate to do so, and assessing
_____ whether this Statement is being complied with;

~~iii-9.4.3.3~~ considering whether directions should be provided to the agent or
_____ whether the agent's appointment should be revoked; and,

~~iv-9.4.3.4~~ providing directions to the agent or revoking the appointment if the
_____ Committee considers it appropriate to do so.

~~d-9.4.4~~ For the purposes of the above paragraph (9.4.3), prudence in selecting an agent
includes compliance with any regulation made pursuant to section 30 of the
Trustee Act (Ontario).

~~5-9.5~~ An agent who is authorized to exercise a function relating to investment of the Fund's
property has a duty to do so:

~~a-9.5.1~~ with the standard of care expected of a person carrying on the business of
investing the money of others;

~~b-9.5.2~~ in accordance with the agreement between the Committee and the agent; and,

~~c-9.5.3~~ in accordance with this Statement.

~~6-9.6~~ An agent who is authorized to exercise any function relating to investment of the Fund's
property shall not delegate that authority to another person.

Appendix I: Mandates and Performance Objectives – the General Endowment

1.1 ~~The Managers retained for the General Endowment Fund are Phillips, Hager & North Investment Management Ltd., MFS Institutional Advisors, Brookfield Asset Management, and their associated Benchmarks and Value-Added Targets are shown below: GIP IV, and JP Morgan Infrastructure Investments.~~

2. ~~For Phillips, Hager & North Investment Management Ltd.:~~

(a) ~~The investment counsel's mandate is~~

<u>Manager</u>	<u>Asset Class</u>	<u>Benchmark</u>	<u>Value-Add Target¹</u> <u>(% / annum)</u>
<u>PH&N</u>	<u>Canadian Equities</u>	<u>45% S&P/TX Capped Composite Index</u>	<u>1.5</u>
	<u>Canadian Fixed Income</u>	<u>55% FTSE Canada Bond Universe</u>	<u>0.35</u>
<u>MFS</u>	<u>Global Equities</u>	<u>MSCI World Index</u>	<u>1.5</u>
<u>Brookfield</u>	<u>Infrastructure</u>	<u>CPI+4%</u>	<u>1.5</u>
<u>Global Infrastructure Partners</u>	<u>Infrastructure</u>	<u>CPI+4%</u>	<u>1.5</u>
<u>JP Morgan</u>	<u>Infrastructure</u>	<u>CPI+4%</u>	<u>1.5</u>

¹The value-add targets are for the individual Managers as outlined in their offering documents and is separate from the Fund's value-add target in Section 4.1.

~~Managers are to invest in any of the eligible within their respective asset classes defined in paragraph 1 of Section 5 of this Statement in accordance with the exception of (d).~~

1.2 ~~(b) The market values of the portions invested in stocks and in fixed income must not differ by more than 10% from the central position of 20% in Canadian equities and 80% in fixed income. For this purpose, stocks comprise 1 (a), and 1 (f), fixed income comprises 1 (c) and 1 (e) of Section 5. permitted investments and constraints.~~

3. ~~Phillips, Hager & North's performance objective is to produce an annual average return, over moving four year periods, at least 0.5% in excess of the neutral performance benchmark described in paragraph 1 of Section 7 of this Statement.~~

4. ~~For MFS Institutional Advisors:~~

a. ~~the investment counsel's mandate is to invest in class 1(b) and 1(e).~~

b. ~~It is expected that MFS Institutional Advisors will be fully invested in 1(b).~~

~~5. MFS Institutional Advisors' performance objective is to produce an annual average return, over moving four year periods, at least 1.5% in excess of the neutral performance benchmark described in paragraph 1 of Section 7 of this Statement.~~

~~6. For Brookfield Asset Management, GIP IV, and JP Morgan Infrastructure Investments, the investment counsel's mandate is to invest in class 1(g) of Section 5 of the Statement.~~

~~7. Brookfield Asset Management's, GIP IV's, and JP Morgan Infrastructure Investments', performance objective is to produce an annual average return, over moving four year periods, at least 5% in excess of the Canadian annual Consumer Price Index (CPI).~~

~~8.1.3~~ The Committee considers these ~~returns~~value-add targets, after payment of transaction costs ~~and~~but before investment management fees, to be a satisfactory return expectation for the risk of active management of the Fund.

~~9.1.4~~ (a) The Committee understands and the ~~investment counsel~~Managers acknowledge that it should be possible to achieve the performance objective under the following conditions:

~~i.1.4.1~~ each asset class will be diversified within itself;

~~ii.1.4.2~~ if real estate or infrastructure is held, it will be in the form of units of a diversified portfolio, with full discretion for the portfolio granted to a ~~professional real estate portfolio manager;~~Manager; and,

~~iii.~~ the specific securities held will generally be considered "investment grade" for ~~iv.1.4.3~~ institutional portfolios.

~~1.5~~ (b) If the ~~investment counsel~~Manager should decide, from time to time, to deviate from the ~~—~~ conditions described above,;

~~i.1.5.1~~ The ~~investment counsel~~Managers are given discretion to do so, if the ~~investment counsel~~Managers feels that the additional return prospects justify the deviation;

~~ii.1.5.2~~ The ~~investment counsel~~Managers are instructed that any such deviation should not substantially increase the risk of the investment portfolio as a whole;

~~iii.1.5.3~~ The ~~investment counsel~~Managers shall notify the Chair of the Committee within two working days of causing any such deviation, and the Chair shall so report to the next meeting of the Committee.

Voting Rights

~~10.1.6~~ When Fund investments are made, voting rights may be acquired. The exercise of these voting rights is delegated to the ~~investment counsel~~ Manager, with the instruction they should be cast in favour of any proposals which, in the opinion of the ~~investment counsel~~ Manager, secure or enhance the investment value of the relevant security, and against any proposals which, in the opinion of the ~~investment counsel~~ Manager, expose to risk or reduce the investment value of the relevant security.

~~1.7~~ (b) If the ~~investment counsel~~ Manager or any of their officers has any pecuniary interest, direct or indirect, in any matter on which the Fund has a right to vote, the ~~investment counsel~~ Manager shall bring this to the attention of the Chair of the Committee, who is given discretion to,

~~i.1.7.1~~ instruct the ~~investment counsel~~ Manager to exercise the voting right in line with the principles described in 9 (a) above, on the grounds that the relevant pecuniary interest is not material; or

~~ii.1.7.2~~ instruct the ~~investment counsel~~ Manager how to cast the Fund's vote, having considered the principles described in 9 (a) above; or

~~iii.1.7.3~~ authorize the Fund's Custodian to exercise the voting right in line with the principles described in 9 (a) above.

~~iv.1.7.4~~ the Committee retains the right to exercise acquired voting rights at any time by notifying the ~~Managers~~ Manager.

~~1.8~~ The Chair shall report on the circumstances and the decision to the next meeting of the Committee.

~~11.1.9~~ (a) Nothing in this Appendix I shall be construed as preventing the Committee from exercising its right to terminate the appointment of any of the ~~investment counsel~~ Managers.

~~(b)~~

~~1.10~~ Nevertheless, the ~~investment counsel~~ Manager understands, and the Committee acknowledges, that such a recommendation is unlikely unless one of the following circumstances occurs:

~~i.1.10.1~~ The Committee doubts that the ~~investment counsel's~~ Manager's performance objective will be achieved.

~~1.10.2~~ The Committee perceives a material change in the ~~investment counsel's~~ Manager's investment management style or key personnel or ownership or number of clients.

~~ii.~~

~~iii.1.10.3~~ The Committee wishes to re-structure the Fund's investment management arrangements.

Appendix II: Mandate for the Sprott Bursary ~~Segment of the Fund~~

1.1 The ~~investment counsel~~Manager for the Sprott Bursary ~~segment of the Endowment Fund~~ is Sprott Asset Management LP (~~“SAM”~~).

~~2.1.2~~ SAM may invest in asset classes 5.11, 5.12 and 5.15 of Section 5. SAM may also invest in gold or silver bullion, subject to disclosure to the Committee.

~~3.1.3~~ Sections 1.5 through 1.11, 12 and 13 of Appendix I shall apply to the investment of the Sprott Bursary ~~segment of the Fund~~.

~~4.1.4~~ SAM’s performance objective for this mandate is ~~to produce an average annual return, over moving four year periods, of at least 2% in excess of the return that would be achieved by investing in the MSCI World Index as follows:~~

<u>Manager</u>	<u>Asset Class</u>	<u>Benchmark</u>	<u>Value-Add Target (% / annum)</u>
<u>SAM</u>	<u>Canadian Equities</u> <u>Global Equities</u> <u>Bullion</u>	<u>S&P TSX Index</u>	<u>2.0</u>

Appendix III: Mandate for the Jarislowsky Chair in Water and Global Health Endowment

1.1 The ~~investment counsel~~Manager for the Jarislowsky Chair in Water and Global Health ~~segment of the~~ Endowment Fund is _____ Jarislowsky Fraser Ltd (JFL).

~~2.1.2~~ JFL may invest in asset classes 5.11, 5.12, 5.13 and 5.1(e), 5 of Section 5.

~~3.1.3~~ ~~Except for Sections 1.5 through 1.11 of Appendix I, sections 2-7, and Appendix II, all provisions of this Statement shall apply to the Jarislowsky Chair in Water and Global Health Endowment.~~

1.4 JFL's performance objective for ~~this~~the mandate is ~~to produce an average annual return in excess of a neutral benchmark of 25% of the FTSE TSX Canada Bond index plus 20% of~~ as follows:

<u>Manager</u>	<u>Asset Class</u>	<u>Benchmark</u>	<u>Value-Add Target (% / annum)</u>
<u>JFL</u>	<u>Canadian Equities</u> <u>Global Equities</u> <u>Canadian Fixed</u> <u>Income</u>	<u>20% S&P/TSX Composite Index</u> <u>55% MSCI World Index</u> <u>55% FTSE Canada Bond</u> <u>Universe</u>	<u>1.0</u>

Appendix IV: Mandate for the RBC Global Fossil Fuel Free Equity Fund

1.1 The Manager for the MSCI World ex-Canada index, over moving four-year periods, of at least RBC Global Fossil Fuel Free Equity Fund is Phillips, Hager & North Investment Management Ltd (“PH&N”).

4.1.2 PH&N may invest in asset classes 5.11, 5.12, and 5.1% on a net-of-fees basis, 5 of Section 5.

1.3 Sections 1.5 through 1.11 of Appendix I shall apply to the RBC Global Fossil Fuel Free Equity Fund.

1.4 PHN’s performance objective for the mandate is as follows:

<u>Manager</u>	<u>Asset Class</u>	<u>Benchmark</u>	<u>Value-Add Target (% / annum)</u>
<u>PH&N</u>	<u>Global Equities</u>	<u>MSCI World Index</u>	<u>1.5</u>

To:	Board of Governors	Date of Report: 9 March 2023
From:	Finance Committee	Date of Meeting: 24 April 2023
Subject:	Responsible Investing Policies for the Endowment and Non-Endowed Funds	
Responsible Portfolio:	Vice-President (Finance and Administration)	

1.0 PURPOSE

For Approval For Information For Discussion

2.0 MOTION

On the recommendation of the Finance Committee, move to approve the Responsible Investing (RI) policies of the Endowment and Non-Endowed Funds, as presented.

3.0 EXECUTIVE SUMMARY

In March 2022, the Finance Committee approved new RI policies for the Endowment and Non-Endowed Funds. These policies were completed following the work of a RI Sub-Committee that was formed with members from the Pension Committee, Investment Committee, Board of Governors and the Office of Pension Fund Management. The RI policies reflect best practices, align with the university’s investment beliefs and position Carleton as a leader in RI.

4.0 INPUT FROM OTHER SOURCES

There was input from the RI Sub-Committee and ESG Global Advisors, a specialist in ESG consulting for pension plans, endowments and the asset management industry. The above consultation and work was completed in March 2022. The RI policies are due for regularly scheduled review and approval. There have been no material changes from the previous version approved.

5.0 ANALYSIS AND STRATEGIC ALIGNMENT

The principles and scope section of the RI policies outline the primary purpose of each individual Fund. The RI policies put an emphasis on the following five ESG factors that are important to the university:

- Climate change
- Indigenous Rights
- Human Rights, including Accessibility and LGBTQ2S+ Rights
- Diversity, Equity and Inclusion
- Mental Health and Wellness

The RI policies also state that the university is a signatory to the UN supported Principles for Responsible Investing (PRI).

Significant work is underway on measuring the carbon footprint of the listed equity portfolios and setting reduction targets for the Endowment and Non-Endowed Funds. Furthermore, a fossil fuel free global equity fund was established to give donors the ability to contribute to a climate focused fund. These objectives are aligned with the RI policy on climate change.

The only change to the 2023 RI policies are the review frequency which have been changed from annually to biennial.

6.0 FINANCIAL IMPLICATIONS

Engaging with investment managers and companies on ESG factors is important to delivering strong risk adjusted returns and managing risk.

By implementing these RI policies we are ensuring Carleton's investable pools of capital are deployed through investment managers that take ESG seriously and ensure the companies we are investing in have strong practices. The financial implications to the university are low, but to the underlying companies our managers invest in, not considering ESG in their decision making could lead to a higher cost of capital which effects their return potential.

7.0 RISK, LEGAL AND COMPLIANCE ASSESSMENT

Not having RI policies in place for the university's pools of capital would create reputational risk. There are various examples of universities, pension plans and asset managers being the subject of front page stories for negative ESG reasons. The implementation of ESG needs to be balanced against ensuring the funds generate sufficient returns.

8.0 REPUTATIONAL IMPLICATIONS AND COMMUNICATIONS STRATEGY

RI aligns with Carleton's beliefs and reputation, position the university as a leader at a time when ESG has never been more important. Damage to the institution's profile and reputation could be significant and harm other areas of operations. Communication of approach, value and benefits of RI are provided in all communications

9.0 OVERALL RISK MANAGEMENT ANALYSIS

	VERY LOW	LOW	MEDIUM	HIGH	VERY HIGH
STRATEGIC	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LEGAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OPERATIONAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TECHNOLOGICAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FINANCIAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
REPUTATIONAL	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Policy Name:	Endowment Fund Responsible Investing Policy
Originating/Responsible Department:	Investment Committee
Approval Authority:	Board of Governors
Last Updated:	March 2022 2023
Mandatory Revision Date:	Annually March 2025
Contact:	Executive Director, Pension Fund Management

Principles and Scope

The goal of Carleton University (“the University”) with respect to the Endowment Fund (“the Fund”) is to provide a steady flow of income in perpetuity to meet expenditure requirements while at the same time increasing the market value of the Fund so that capital, in real terms, is maintained. The prudent and effective management of the Fund as described in this Statement has a direct impact on the achievement of this goal.

The University is guided by certain principles as they relate to responsible investing. These are:

- That the fund will strive to achieve the best possible risk-adjusted rate of return on the Fund’s assets.
- That portfolio diversification is necessary to achieve these returns.
- That responsible corporate behaviour with respect to environmental, social and governance (ESG) factors can have a positive effect on long-term financial performance (to varying degrees across companies, sectors, regions, assets classes and time).
- That taking into account ESG issues may better align the portfolio with the interests of our stakeholders.
- That imposing constraints or negative screens on portfolio investments may increase risk or reduce returns or both.
- That stewardship by investors is an effective way to encourage responsible corporate behaviour.

The University is a signatory to the United Nations-supported Principles for Responsible Investment (PRI), which are considered best practice in the area of responsible investing. As a signatory, the University commits to the following Principles:¹

- Incorporate ESG issues into investment analysis and decision-making processes.
- Be an active owner and incorporate ESG issues into ownership policies and practices.
- Seek appropriate disclosure on ESG issues by the entities in which it invests.
- Promote acceptance and implementation of the Principles within the investment industry.
- Work together with other signatories to enhance its effectiveness in implementing the Principles.
- Report on its activities and progress towards implementing the Principles.

This Policy applies to all Fund assets, unless otherwise specified. External ~~investment~~ Investment Managers (the “Managers”) must follow the Policy when investing assets allocated to them for investment.

¹ For information on how the Responsible Investing Policy aligns with the PRI Principles, see [Appendix A](#).

Definitions

ESG factors are environmental, social and governance factors that can impact the value of investments.

Responsible investing is the incorporation of ESG to the management of the Fund, including:

- **ESG integration:** consideration of material ESG risks and opportunities in investment decision-making, alongside financial considerations, with the objective of enhancing portfolio returns.
- **Stewardship:** exercising influence on investees relating to ESG matters, through:
 - **Engagement:** dialogue with investees to address ESG concerns and encourage improvements in ESG performance.
 - **Proxy voting:** considering ESG factors when exercising voting rights associated with listed equity investments.

Responsible Investing Approach

The Fund is managed by external investment counsel Managers, impacting the University's ability to influence the selection of individual investments and undertake direct stewardship with investees. Therefore, the Policy primarily is applied by requiring investment counsel the Managers and other service providers to incorporate ESG issues into investment analysis and decision making, and to undertake stewardship.

- Investment counsel Managers are required to integrate consideration of material ESG risks and opportunities to the investment decision-making process, alongside financial considerations.
- Investment counsel Managers are required to undertake ongoing monitoring of the Fund's investments relating to ESG factors. Where this monitoring identifies significant ESG concerns relating to an investment, investment counsel Managers are expected to engage with the investee to address these concerns, and to inform the Committee.
- The Committee delegates to investment counsel Managers the responsibility for exercising all voting rights acquired through the Fund. Investment counsel Managers are required to provide to the Committee the voting rights policies that set out their approach to proxy voting. Investment counsel Managers are expected to take ESG considerations into account in proxy voting, and are encouraged to adopt proxy voting guidelines that address ESG factors.

These expectations are communicated to current and potential investment counsel Managers and other service providers, including through this Policy. The quality and rigor of the ESG approach is considered in the selection and monitoring of investment counsel the Managers, all of which are required to be PRI signatories.

Investment counsel Managers are required to report no less frequently than annually to the Investment Committee regarding:

- The processes by which ESG factors are integrated to the investment decision-making process, portfolio monitoring, and stewardship.
- Stewardship activities undertaken with investees on ESG matters.
- Proxy voting records, including voting rationales and departures from, or exceptions to, voting rights policies.

The University believes that engagement on ESG matters by a group of investors will often have greater influence than a single investor acting alone. Where it is believed that the Fund's participation could add value, the Fund may engage directly with investees, typically through collaborative initiatives. The Fund may also participate in coalitions and/or industry groups that advance ESG disclosure and standards or support ESG principles within the investment industry.

Responsible Investing Priorities

Investment counselManagers are expected to consider all material ESG factors and be mindful of the interplay between those factors when analysing investments. While all relevant ESG factors should be considered in investment decision-making, the following are some of the important strategic priorities for the University:

- Climate Change
- Indigenous Rights
- Human Rights, including Accessibility and LGBTQ2S+ Rights
- Diversity, Equity and Inclusion
- Mental Health and Wellness

The responsible investing initiatives relating to each of these priorities will be further developed over time.

Climate Change

It is recognized that climate change is one of the ESG factors with the most significant potential to impact the value of investments across all sectors, through risks and opportunities associated with both the physical impacts of climate change and the transition to a low-carbon economy. The University believes that climate-related risks can be mitigated by adopting a portfolio decarbonization strategy, including the following elements:

- Measuring and disclosing portfolio carbon emissions.
- Setting targets for reducing portfolio carbon emissions aligned with global climate goals, including the achievement of net-zero greenhouse gas (GHG) emissions by 2050, and consistent with the University's investment responsibility. Progress on portfolio carbon emissions reduction and the impact of targets on investment performance will be assessed annually, and targets will be reviewed at least once every five years.
- Engaging with investment counselManagers on climate investment strategy and portfolio carbon emissions.
- Requiring investment counselManagers to undertake stewardship with investees on climate change-related matters.

- Encouraging ~~investment counsel~~Managers to publicly support the Paris Agreement climate goals and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).²
- Implementing the Board of Governors' resolutions relating to climate change.

Given the importance of climate change to society, the University, supported by the Board of Governors, ~~commits to taking~~has taken the following actions:

- ~~Adoption of~~Adopted a strategy, called decarbonization, of divestment and active ownership to transition the Endowment Fund to a significantly lower carbon portfolio by 2030. This included:
 - ~~An immediate first step is~~Setting an interim target of at least 50% reduction by 2030 in the Weighted Average Carbon Intensity ("WACI") of listed equity holdings, based on Scope 1 and 2 investee GHG emissions, compared to include a commitment2019 baseline.
 - Continuing to not to hold any direct fossil fuel investments.
- Established a fossil-fuel free fund, as of the end of 2022, to which donors may direct their gifts.
- The longer-term strategy for indirect investments and pooled funds is to be based in the important principle that climate change must be addressed across all sectors of the economy and not be limited to fossil fuel investments.
- ~~Establishment of a fossil fuel free fund, to be in place by the end of 2022, to which donors may direct their gifts.~~

Governance and Transparency

The Board of Governors:

- Directs the Investment Committee on University priorities relating to responsible investing.
- Undertakes ~~annual an~~ approval of the Policy by the Finance Committee of the Board and the Board of Governors every two years or as required.

The Investment Committee:

- Reviews the Policy ~~at least annually~~every two years or as required and recommends approval to the Finance Committee of the Board.
- Monitors the implementation of the Policy on a quarterly basis.
- Implements the Board of Governors' resolutions related to responsible investing.
- Ensures internal and external resources are available for implementation of the Policy.

The Office of Pension Fund Management supports the University and the Investment Committee by:

- Developing and implementing frameworks for incorporating ESG into ~~the investment counsel~~Manager selection and monitoring processes, and for monitoring the Fund on ESG matters.
- Reviewing ~~investment counsel~~Manager reporting and disclosures for consistency with the Policy.

²The University supports the imperative to address climate change and acknowledges that achieving the Paris Agreement goal of limiting the rise in global average temperature to well below 2°C requires the global economy to achieve net-zero greenhouse gas (GHG) emissions by 2050. The University supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) for disclosure of climate-related risks and opportunities.

- Providing quarterly reporting to the Committee on the implementation of the Policy.
- Preparing an annual Responsible Investing Report for disclosure to Plan stakeholders.

To provide transparency on the implementation of the Policy, the following disclosures will be developed:

- This Policy
- An annual Responsible Investing Report, prepared by Pension Fund Management, to include:
 - Information on [investment counsel/Manager](#) ESG policies, practices and stewardship activities, including engagement and proxy voting.
 - Climate-related disclosures aligned with the Task Force on Climate-related Financial Disclosure (TCFD) recommendations, including portfolio carbon metrics and progress against portfolio carbon targets, once established.

Contacts:

Vice-President (Finance and Administration)
Executive Director, Pension Fund Management
University Secretary

Related Policies:

Carleton University Non-Endowed Funds Responsible Investing Policy
Carleton University Retirement Fund Responsible Investing Policy

Appendix A: Alignment of Responsible Investing Policy with PRI Principles

PRI Principles	Fund Responsible Investing Practices
<p><i>Principle 1:</i> We will incorporate ESG issues into investment analysis and decision-making processes.</p>	<ul style="list-style-type: none"> • Investment counselManagers are required to integrate consideration of material ESG risks and opportunities to the investment decision-making process, alongside financial considerations. • Portfolio carbon emissions will be measured and disclosed, and targets will be set for reducing portfolio carbon emissions aligned with global climate goals and consistent with fiduciary responsibility.
<p><i>Principle 2:</i> We will be active owners and incorporate ESG issues into our ownership policies and practices.</p>	<ul style="list-style-type: none"> • Investment counselManagers are required to undertake stewardship with investees. • Investment counselManagers are required to undertake ongoing monitoring of the Fund's investments relating to ESG factors. Where this monitoring identifies significant ESG concerns relating to an investment, investment counselManagers are expected to engage with the investee to address these concerns, and to inform the Committee. • Investment counselManagers are required to provide the voting rights policies that set out their approach to proxy voting. Investment counsel • Managers are expected to take ESG considerations into account in proxy voting, and are encouraged to adopt proxy voting guidelines that address ESG factors.
<p><i>Principle 3:</i> We will seek appropriate disclosure on ESG issues by the entities in which we invest.</p>	<ul style="list-style-type: none"> • The Fund may participate in coalitions and/or industry groups that advance ESG disclosure and standards. • The University supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) for disclosure of climate-related risks and opportunities.
<p><i>Principle 4:</i> We will promote acceptance and implementation of the Principles within the investment industry.</p>	<ul style="list-style-type: none"> • Responsible investing expectations are communicated to current and potential investment counselManagers and other service providers. • The quality and rigor of the ESG approach is considered in the selection and monitoring of investment counselManagers, all of which are required to be PRI signatories. • The Fund may participate in coalitions and/or industry groups that support ESG principles within the investment industry.
<p><i>Principle 5:</i> We will work together to enhance our effectiveness in implementing the Principles.</p>	<ul style="list-style-type: none"> • Where the Fund's participation could add value, the Fund may engage directly with investees, typically through collaborative initiatives. • Carleton participates alongside other Canadian universities in the collaborative engagement initiative University Network for Investor Engagement (UNIE).
<p><i>Principle 6:</i> We will each report on our activities and progress towards implementing the Principles.</p>	<ul style="list-style-type: none"> • An Annual Responsible Investing Report will be developed.

Policy Name:	Non-Endowed Funds Responsible Investing Policy
Originating/Responsible Department:	Investment Committee
Approval Authority:	Board of Governors
Last Updated:	March 2022 2023
Mandatory Revision Date:	Annually March 2025
Contact:	Executive Director, Pension Fund Management

Principles and Scope

The goal of Carleton University (“the University”) with respect to the Non-Endowed Operating Funds (“the Fund”) is to generate income to meet budgeted operating revenues while at the same time preserving capital and maintaining liquidity. The prudent and effective management of the Fund as described in this Statement has a direct impact on the achievement of this goal.

The University is guided by certain principles as they relate to responsible investing. These are:

- That the fund will strive to achieve the best possible risk-adjusted rate of return on the Fund’s assets.
- That portfolio diversification is necessary to achieve these returns.
- That responsible corporate behaviour with respect to environmental, social and governance (ESG) factors can have a positive effect on long-term financial performance (to varying degrees across companies, sectors, regions, assets classes and time).
- That taking into account ESG issues may better align the portfolio with the interests of our stakeholders.
- That imposing constraints or negative screens on portfolio investments may increase risk or reduce returns or both.
- That stewardship by investors is an effective way to encourage responsible corporate behaviour.

The University is a signatory to the United Nations-supported Principles for Responsible Investment (PRI), which are considered best practice in the area of responsible investing. As a signatory, the University commits to the following Principles:¹

- Incorporate ESG issues into investment analysis and decision-making processes.
- Be an active owner and incorporate ESG issues into ownership policies and practices.
- Seek appropriate disclosure on ESG issues by the entities in which it invests.
- Promote acceptance and implementation of the Principles within the investment industry.
- Work together with other signatories to enhance its effectiveness in implementing the Principles.
- Report on its activities and progress towards implementing the Principles.

This Policy applies to all Fund assets, unless otherwise specified. External ~~investment~~ Investment Managers (the “Managers”) must follow the Policy when investing assets allocated to them for investment.

¹ For information on how the Responsible Investing Policy aligns with the PRI Principles, see [Appendix A](#).

Definitions

ESG factors are environmental, social and governance factors that can impact the value of investments.

Responsible investing is the incorporation of ESG to the management of the Fund, including:

- **ESG integration:** consideration of material ESG risks and opportunities in investment decision-making, alongside financial considerations, with the objective of enhancing portfolio returns.
- **Stewardship:** exercising influence on investees relating to ESG matters, through:
 - **Engagement:** dialogue with investees to address ESG concerns and encourage improvements in ESG performance.
 - **Proxy voting:** considering ESG factors when exercising voting rights associated with listed equity investments.

Responsible Investing Approach

The Fund is managed by external investment counselManagers, impacting the University's ability to influence the selection of individual investments and undertake direct stewardship with investees. Therefore, the Policy primarily is applied by requiring investment counselManagers and other service providers to incorporate ESG issues into investment analysis and decision making, and to undertake stewardship.

- Investment counselManagers are required to integrate consideration of material ESG risks and opportunities to the investment decision-making process, alongside financial considerations.
- Investment counselManagers are required to undertake ongoing monitoring of the Fund's investments relating to ESG factors. Where this monitoring identifies significant ESG concerns relating to an investment, investment counselManagers are expected to engage with the investee to address these concerns, and to inform the Committee.
- The Committee delegates to investment counselManagers the responsibility for exercising all voting rights acquired through the Fund. Investment counselManagers are required to provide to the Committee the voting rights policies that set out their approach to proxy voting. Investment counselManagers are expected to take ESG considerations into account in proxy voting, and are encouraged to adopt proxy voting guidelines that address ESG factors.

These expectations are communicated to current and potential investment counselManagers and other service providers, including through this Policy. The quality and rigor of the ESG approach is considered in the selection and monitoring of investment counselManagers, all of which are required to be PRI signatories.

Investment counselManagers are required to report no less frequently than annually to the Investment Committee regarding:

- The processes by which ESG factors are integrated to the investment decision-making process, portfolio monitoring, and stewardship.
- Stewardship activities undertaken with investees on ESG matters.
- Proxy voting records, including voting rationales and departures from, or exceptions to, voting rights policies.

The University believes that engagement on ESG matters by a group of investors will often have greater influence than a single investor acting alone. Where it is believed that the Fund's participation could add value, the Fund may engage directly with investees, typically through collaborative initiatives. The Fund may also participate in coalitions and/or industry groups that advance ESG disclosure and standards or support ESG principles within the investment industry.

Responsible Investing Priorities

Investment counselManagers are expected to consider all material ESG factors and be mindful of the interplay between those factors when analysing investments. While all relevant ESG factors should be considered in investment decision-making, the following are some of the important strategic priorities for the University:

- Climate Change
- Indigenous Rights
- Human Rights, including Accessibility and LGBTQ2S+ Rights
- Diversity, Equity and Inclusion
- Mental Health and Wellness

The responsible investing initiatives relating to each of these priorities will be further developed over time.

Climate Change

It is recognized that climate change is one of the ESG factors with the most significant potential to impact the value of investments across all sectors, through risks and opportunities associated with both the physical impacts of climate change and the transition to a low-carbon economy. The University believes that climate-related risks can be mitigated by adopting a portfolio decarbonization strategy, including the following elements:

- Measuring and disclosing portfolio carbon emissions.
- Setting targets for reducing portfolio carbon emissions aligned with global climate goals, including the achievement of net-zero greenhouse gas (GHG) emissions by 2050, and consistent with the University's investment responsibility. Progress on portfolio carbon emissions reduction and the impact of targets on investment performance will be assessed annually, and targets will be reviewed at least once every five years.
- Engaging with investment counselManagers on climate investment strategy and portfolio carbon emissions.
- Requiring investment counselManagers to undertake stewardship with investees on climate change-related matters.

- Encouraging ~~investment counsel~~ Managers to publicly support the Paris Agreement climate goals and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).²
- Implementing the Board of Governors' resolutions relating to climate change.

Given the importance of climate change to society, the University, supported by the Board of Governors, ~~commits to taking~~ has taken the following actions:

- ~~Adoption of~~ Adopted a strategy, called decarbonization, of divestment and active ownership to transition the Non-Endowed Fund to a significantly lower carbon portfolio by 2030. This includes:
 - ~~An immediate first step is~~ Setting an interim target of at least 50% reduction by 2030 in the Weighted Average Carbon Intensity ("WACI") of listed equity holdings, based on Scope 1 and 2 investee GHG emissions, compared to include a commitment 2019 baseline.
 - Continuing not to hold any direct fossil fuel investments.
- Established a fossil fuel free fund, as of the end of 2022, to which donors may direct their gifts.
- The longer-term strategy for indirect investments and pooled funds is to be based in the important principle that climate change must be addressed across all sectors of the economy and not be limited to fossil fuel investments.
- ~~Establishment of a fossil fuel free fund, to be in place by the end of 2022, to which donors may direct their gifts.~~

Governance and Transparency

The Board of Governors:

- Directs the Investment Committee on University priorities relating to responsible investing.
- Undertakes ~~annual~~ an approval of the Policy by the Finance Committee of the Board and the Board of Governors every two years or as required.

The Investment Committee:

- Reviews the Policy ~~at least annually~~ every two years or as required and recommends approval to the Finance Committee of the Board.
- Monitors the implementation of the Policy on a quarterly basis.
- Implements the Board of Governors' resolutions related to responsible investing.
- Ensures internal and external resources are available for implementation of the Policy.

The Office of Pension Fund Management supports the University and the Investment Committee by:

- Developing and implementing frameworks for incorporating ESG into the ~~investment counsel~~ Manager selection and monitoring processes and for monitoring the Fund on ESG matters.
- Reviewing ~~investment counsel~~ Manager reporting and disclosures for consistency with the Policy.

² The University supports the imperative to address climate change and acknowledges that achieving the Paris Agreement goal of limiting the rise in global average temperature to well below 2°C requires the global economy to achieve net-zero greenhouse gas (GHG) emissions by 2050. The University supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) for disclosure of climate-related risks and opportunities.

- Providing quarterly reporting to the Committee on the implementation of the Policy.
- Preparing an annual Responsible Investing Report for disclosure to Plan stakeholders.

To provide transparency on the implementation of the Policy, the following disclosures will be developed:

- This Policy
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 - Information on ~~investment counsel~~Manager ESG policies, practices and stewardship activities, including engagement and proxy voting.
 - Climate-related disclosures aligned with the Task Force on Climate-related Financial Disclosure (TCFD) recommendations, including portfolio carbon metrics and progress against portfolio carbon targets, once established.

Contacts:

Vice-President (Finance and Administration)
Executive Director, Pension Fund
Management University Secretary

Related Policies:

Carleton University Endowment Funds Responsible Investing Policy
Carleton University Retirement Fund Responsible Investing Policy

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<p><i>Principle 3:</i> We will seek appropriate disclosure on ESG issues by the entities in which we invest.</p>	<ul style="list-style-type: none"> • The Fund may participate in coalitions and/or industry groups that advance ESG disclosure and standards. • The University supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) for disclosure of climate-related risks and opportunities.
<p><i>Principle 4:</i> We will promote acceptance and implementation of the Principles within the investment industry.</p>	<ul style="list-style-type: none"> • The University’s responsible investing expectations are communicated to current and potential investment—counselManagers and other service providers. The quality and rigor of the ESG approach is considered in the selection and monitoring of investment—counselManagers, all of which are required to be PRI signatories. • The Fund may participate in coalitions and/or industry groups that support ESG principles within the investment industry.
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<p><i>Principle 6:</i> We will each report on our activities and progress towards implementing the Principles.</p>	<ul style="list-style-type: none"> • An Annual Responsible Investing Report will be developed.

To:	Board of Governors	Date of Report: 13 March 2023
From:	Finance Committee	Date of Meeting: 24 April 2023
Subject:	Responsible Investing Policy for the Retirement Fund	
Responsible Portfolio:	Vice-President (Finance and Administration)	

1.0 PURPOSE

For Approval For Information For Discussion

2.0 MOTION

On the recommendation of the Finance Committee, move to approve the Responsible Investing (RI) policy of the Retirement Fund, as presented.

3.0 EXECUTIVE SUMMARY

In March 2022, the Finance Committee approved a new RI policy for the Retirement Plan. This policy was completed in conjunction with the RI policies of the Endowment and Non-Endowed Funds. The policies are the result of the work completed by the RI Sub-Committee that was formed with members from the Pension Committee, Investment Committee, Board of Governors and the Office of Pension Fund Management. The RI policies reflect best practices, align with the university’s investment beliefs and position Carleton as a leader in RI.

4.0 INPUT FROM OTHER SOURCES

There was input from the RI Sub-committee and ESG Global Advisors, a specialist in ESG consulting for pension plans, endowments and the asset management industry. The above consultation and work was completed in March 2022. The RI policy of the Retirement Plan is due for regularly scheduled review and approval. There have been no material changes from the previous version approved.

5.0 ANALYSIS AND STRATEGIC ALIGNMENT

The principles and scope section of the RI policy outlines the primary purpose of the Retirement Plan is to assist beneficiaries in providing for a financially secure retirement income at a reasonable cost. As such, there is no language around divestment and more of a focus on engagement.

The RI policy puts an emphasis on the following five ESG factors that are important to the university:

- Climate change
- Indigenous Rights
- Human Rights, including Accessibility and LGBTQ2S+ Rights
- Diversity, Equity and Inclusion
- Mental Health and Wellness

The RI policy also states that the university is a signatory to the UN supported Principles for Responsible Investing (PRI).

The Retirement Plan is regulated by the Financial Services Regulatory Authority of Ontario (FSRA). The Office of Pension Fund Management (PFM) monitors regulatory updates related to ESG as stipulated by FSRA to maintain compliance. PFM also leverages industry organizations to promote RI best practices.

The only material change to the 2023 RI policy is the review frequency which has been changed from annually to biennial.

6.0 FINANCIAL IMPLICATIONS

Engaging with investment managers and companies on ESG factors is important to delivering strong risk adjusted returns and managing risk.

By implementing this RI policy we are ensuring Carleton’s Retirement Plan is allocated to investment managers that take ESG seriously and ensuring the companies we are investing in have strong practices. The financial implications to the university are low, but to the underlying companies and the investment managers we invest in, not considering ESG in their decision making could lead to a higher cost of capital which effects their return potential.

7.0 RISK, LEGAL AND COMPLIANCE ASSESSMENT

There are various examples of pension plans and asset managers being the subject of front page stories for negative ESG reasons.

For pension plans, there is a regulatory requirement to comment on ESG in the Statement of Investment Policies and Procedures (SIPP) and regulators are currently reviewing further ESG requirements in the future. Ultimately, the pension plan is subject to a fiduciary duty to ensure the best possible returns for plan members.

8.0 REPUTATIONAL IMPLICATIONS AND COMMUNICATIONS STRATEGY

RI aligns with Carleton’s beliefs and reputation, positions the university as a leader at a time when ESG has never been more important. Damage to the institution’s profile and reputation could be significant and harm other areas of operations. Communication of approach, value and benefits of RI are provided in all communications.

9.0 OVERALL RISK MANAGEMENT ANALYSIS

	VERY LOW	LOW	MEDIUM	HIGH	VERY HIGH
STRATEGIC	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LEGAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OPERATIONAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TECHNOLOGICAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FINANCIAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
REPUTATIONAL	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Policy Name:	Retirement Fund Responsible Investing Policy
Originating/Responsible Department:	Pension Committee
Approval Authority:	Board of Governors
Last Updated:	March 2022 2023
Mandatory Revision Date:	Annually March 2025
Contact:	Executive Director, Pension Fund Management

Principles and Scope

Carleton University (the “University”) provides pension benefits to its employees through the Carleton University Retirement Plan (“the Plan”). The primary goal of the Plan is to assist Plan beneficiaries in providing for a financially-secure retirement income at a reasonable cost. The University as Administrator under the Pension Benefits Act, has a fiduciary duty to act in the long-term best interest of the beneficiaries of the Plan. The Pension Committee (the “Committee”) in carrying out its functions per the Plan Text, also has a fiduciary responsibility to the Plan beneficiaries. The prudent and effective management of the Retirement Fund (“the Fund”) as described in this Statement has a direct impact on the achievement of this goal.

The development of this policy is guided by certain principles as they relate to responsible investing. These are:

- That the fund should be invested to achieve the best possible risk-adjusted rate of return on the Fund’s assets.
- That portfolio diversification is necessary to achieve these returns.
- That responsible corporate behaviour with respect to environmental, social and governance (ESG) factors can have a positive effect on long-term financial performance (to varying degrees across companies, sectors, regions, assets classes and time).
- That taking into account ESG issues may better align the portfolio with the interests of our stakeholders.
- That imposing constraints or negative screens on portfolio investments may increase risk or reduce returns or both.
- That stewardship by investors may be an effective way to encourage responsible corporate behaviour.

The University is a signatory to the United Nations-supported Principles for Responsible Investment (PRI), which are considered best practice in the area of responsible investing. As a signatory, the University commits to the following Principles:¹

- Incorporate ESG issues into investment analysis and decision-making processes.
- Be an active owner and incorporate ESG issues into ownership policies and practices.
- Seek appropriate disclosure on ESG issues by the entities in which it invests.
- Promote acceptance and implementation of the Principles within the investment industry.
- Work together with other signatories to enhance its effectiveness in implementing the Principles.

¹ For information on how the Responsible Investing Policy aligns with the PRI Principles, see [Appendix A](#).

- Report on its activities and progress towards implementing the Principles.

This Policy applies to all Fund assets, unless otherwise specified. External investment counsel Investment Managers (the “Managers”) must follow the Policy when investing assets allocated to them for investment.

Definitions

ESG factors are environmental, social and governance factors that can impact the value of investments.

Responsible investing is the incorporation of ESG to the management of the Fund, including:

- **ESG integration:** consideration of material ESG risks and opportunities in investment decision-making, alongside financial considerations, with the objective of enhancing portfolio returns.
- **Stewardship:** exercising influence on investees relating to ESG matters, through:
 - **Engagement:** dialogue with investees to address ESG concerns and encourage improvements in ESG performance.
 - **Proxy voting:** considering ESG factors when exercising voting rights associated with listed equity investments.

Responsible Investing Approach

The Fund is managed by external investment counsel Managers, impacting the University’s ability to influence the selection of individual investments and undertake direct stewardship with investees. Therefore, the Policy primarily is applied by requiring investment-counsel Managers and other service providers to incorporate ESG issues into investment analysis and decision making, and to undertake stewardship.

- investment counsel Managers are required to integrate consideration of material ESG risks and opportunities to the investment decision-making process, alongside financial considerations.
- investment counsel Managers are required to undertake ongoing monitoring of the Fund’s investments relating to ESG factors. Where this monitoring identifies significant ESG concerns relating to an investment, investment counsel Managers are expected to engage with the investee to address these concerns, and to inform the Committee.
- The exercise of all voting rights acquired through the Fund is delegated to investment-counsel Managers. investment counsel Managers are required to provide to the Committee the voting rights policies that set out their approach to proxy voting. investment counsel Managers are expected to take ESG considerations into account in proxy voting, and are encouraged to adopt proxy voting guidelines that address ESG factors.

These expectations are communicated to current and potential investment counsel Managers and other service providers, including through this Policy. The quality and rigor of the ESG approach is considered in the selection and monitoring of investment-counsel Managers, all of which are required to be PRI signatories.

Investment counsel Managers are required to report no less frequently than annually to the Pension Committee regarding:

- The processes by which ESG factors are integrated into the investment decision-making process, portfolio monitoring, and stewardship.
- Stewardship activities undertaken with investees on ESG matters.
- Proxy voting records, including voting rationales and departures from, or exceptions to, voting rights policies.

It is believed that engagement on ESG matters by a group of investors will often have greater influence than a single investor acting alone. Where it is believed that the Fund's participation could add value, the Fund may engage directly with investees, typically through collaborative initiatives. The Fund may also participate in coalitions and/or industry groups that advance ESG disclosure and standards or support ESG principles within the investment industry.

Responsible Investing Priorities

Investment counsel Managers are expected to consider all material ESG factors and be mindful of the interplay between those factors when analysing investments. While all relevant ESG factors should be considered in investment decision-making, the following are some of the important strategic priorities for the University:

- Climate Change
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The responsible investing initiatives relating to each of these priorities will be further developed over time.

Climate Change

It is recognized that climate change is one of the ESG factors with the most significant potential to impact the value of investments across all sectors, through risks and opportunities associated with both the physical impacts of climate change and the transition to a low-carbon economy. The University believes that climate-related risks can be mitigated by adopting a portfolio decarbonization strategy, including the following elements:

- Measuring and disclosing portfolio carbon emissions.
- Setting targets for reducing portfolio carbon emissions aligned with global climate goals, including the achievement of net-zero greenhouse gas (GHG) emissions by 2050, and consistent with the University's investment responsibility. Progress on portfolio carbon emissions reduction and the impact of targets on investment performance will be assessed annually, and targets will be reviewed at least once every five years.
- Engaging with investment counsel Managers on climate investment strategy and portfolio carbon emissions.

- Requiring investment counsel Managers to undertake stewardship with investees on climate change-related matters.
- Encouraging investment counsel Managers to publicly support the Paris Agreement climate goals and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).²

Governance and Transparency

The Board of Governors:

- Undertakes ~~annual~~an approval of the Policy by the Finance Committee of the Board and the Board of Governors every two years or as required.

The Pension Committee:

- Reviews the Policy ~~at least annually~~every two years or as required and recommends approval to the Finance Committee of the Board.
- Monitors the implementation of the Policy on a quarterly basis.
- Ensures internal and external resources are available for implementation of the Policy.

The Office of Pension Fund Management supports the Pension Committee by:

- Developing and implementing frameworks for incorporating ESG into the investment counsel Manager selection and monitoring process, and for monitoring the Fund on ESG matters.
- Reviewing investment counsel Manager reporting and disclosures for consistency with the Policy.
- Providing quarterly reporting to the Committee on the implementation of the Policy.
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 - Climate-related disclosures aligned with the Task Force on Climate-related Financial Disclosure (TCFD) recommendations, including portfolio

² The University supports the imperative to address climate change and acknowledges that achieving the Paris Agreement goal of limiting the rise in global average temperature to well below 2°C requires the global economy to achieve net-zero greenhouse gas (GHG) emissions by 2050. The University supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) for disclosure of climate-related risks and opportunities.

carbon metrics and progress against portfolio carbon targets, once established.

Contacts:

Vice-President (Finance and Administration)
Executive Director, Pension Fund
Management University Secretary

Related Policies:

Carleton University Non-Endowed Funds Responsible Investing Policy
Carleton University Endowment Funds Responsible Investing Policy

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<p><i>Principle 6:</i> We will each report on our activities and progress towards implementing the Principles.</p>	<ul style="list-style-type: none"> • An Annual Responsible Investing Report will be developed.

COMMITTEE: Board of Governors

MEETING: 635th – April 24th, 2023

ITEM: Board of Governors Award
for Outstanding
Community Achievement

I. INFORMATION PRESENTED TO THE BOARD

On April 4th, 2023 the Board Award Jury met to review the nominations for the Board Award. This year, 13 nominations were received.

It was agreed by the Jury that this year's recipient of the award be Dakota Livingston who will be graduating with a Bachelor of Global and International Studies Honours, with a focus in Global Law and Social Justice, and a Minor in Political Science at Spring Convocation 2023.

As noted by the Jury, Dakota's volunteer resume overwhelmingly evidenced her love for Carleton community and passion for philanthropy. Some of her volunteer roles include or have included: current President and multiple previous roles within the Carleton Academic Student Government, Senator at Carleton University Senate, Vice President of Research at the Carleton Human Rights Society, and volunteer for Ausome Ottawa Community Partnership Project. She undertook a plethora of leadership and mentoring roles in both the academic and extracurricular communities.

However, it is not only Dakota's extracurricular pursuits that demonstrate her excellence. Dakota has also demonstrated profound academic achievement by receiving multiple awards and scholarships for her outstanding academic performance. Her steadfast academic success has seen Dakota achieve Dean's Honour List status in 2020 and 2021, as well as be awarded the Murdoch Maxwell MacOrdum Scholarship, and the David A. Golden Scholarship for Academic Achievement. She produced academic work of incredible quality while simultaneously consistently, leading and mentoring younger students.

During the pandemic, she was a key leader in pursuing compassionate and flexible grading and continues to work with the university to promote positive mental health among students during the transition back to in-person learning. She has hosted events with members of international non-governmental organizations, local city councilors and Faculty at Carleton to provide learning and growth opportunities for students across campus. Being described as a hard-worker, Dakota has consistently dedicated herself to enriching the lives of students around her and enhancing the student experience. Cited as someone who is truly compassionate and committed to helping others, Dakota is a shining star and a special member to the Carleton community.

II. RECOMMENDATION TO THE COMMITTEE

On the recommendation of the Board Award Jury and the Advancement and University Relations Committee, move to approve Dakota Livingston as the recipient of the Board of Governors Award for Outstanding Community Achievement for 2022/23 academic year, as presented.

To:	Board of Governors	Date of Report: 9 March 2023
From:	Finance Committee	Date of Meeting: 24 April 2023
Subject:	2023-2024 Miscellaneous Administrative Fees	
Responsible Portfolio:	Vice-President (Students and Enrolment)	

1.0 PURPOSE

For Approval For Information For Discussion

2.0 MOTION

On the recommendation of the Finance Committee, move to approve the Miscellaneous Administrative Fees to be implemented May 1, 2023, as presented.

3.0 EXECUTIVE SUMMARY

The following miscellaneous administrative fees have been increased by CPI or in tandem with the University of Ottawa:

Omnibus Fee	Letters of Permission
Examination Charges (In Canada)	Display Diplomas
Examination Charges (outside Canada)	Replacement Diploma
Challenge for Credit	New Special Students Documentation
Returned Payment Charges	Admission Processing Charge
Late Payment Charges	Extension
Grad Application Fee	Co-op & Career Services fees
Deferred Admission Fee	

4.0 INPUT FROM OTHER SOURCES

Input on the Miscellaneous Administrative fees was sought from Carleton University's Student Account Receivable office and the Registrar's office. The grad application fee is set in tandem with the University of Ottawa to accommodate joint programs. The consumer price index was sourced from Statistics Canada; 6.9% is the annual average for the region of Ottawa-Gatineau, Ontario.

5.0 ANALYSIS AND STRATEGIC ALIGNMENT

These fees are all existing administrative fees, which have been increased by the consumer price index, then rounded to the nearest \$0.25.

Please see all fees in the appendices

6.0 FINANCIAL IMPLICATIONS

Failure to approve the increase would have a minor budgetary impact.

7.0 RISK, LEGAL AND COMPLIANCE ASSESSMENT

The level of increase is minor and as a result, is not likely to have any significant risk. Fees charged to students must comply with the Province's Tuition Framework and Ancillary Fee guidelines to the extent applicable.

8.0 REPUTATIONAL IMPLICATIONS AND COMMUNICATIONS STRATEGY

None identified.

9.0 OVERALL RISK MANAGEMENT ANALYSIS

	VERY LOW	LOW	MEDIUM	HIGH	VERY HIGH
STRATEGIC	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LEGAL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OPERATIONAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TECHNOLOGICAL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FINANCIAL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
REPUTATIONAL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Miscellaneous Administrative Fees¹

Fee	2022-2023	2023-2024 Proposed	Increase	Percentage
Omnibus Fee	\$44.00	\$47.00	\$3.00	6.8%
Examination Charges (in Canada)	\$92.00	\$98.25	\$6.25	6.8%
Examination Charges (outside Canada)	\$165.25	\$176.75	\$11.50	7.0%
Challenge for Credit	\$236.75	\$253.00	\$16.25	6.9%
Returned Payment Charge	\$38.00	\$40.50	\$2.50	6.6%
Late Payment Charges	\$115.00	\$123.00	\$8.00	7.0%
Grad Application Fee ²	\$110.00	\$120.00	\$10.00	9.1%
Deferred Admission Fee	\$51.00	\$54.50	\$3.50	6.9%
Letters of Permission	\$43.75	\$46.75	\$3.00	6.9%
Display Diplomas	\$131.00	\$140.00	\$9.00	6.9%
Replacement Diploma	\$92.00	\$98.25	\$6.25	6.8%
New Special Students Documentation	\$58.00	\$62.00	\$4.00	6.9%
Admission Processing Charge	\$72.50	\$77.50	\$5.00	6.9%
Extension	\$79.50	\$85.00	\$5.50	6.9%
Co-op & Career Services fee	\$436.75	\$467.00	\$30.25	6.9%

¹ All fees increased by inflationary increase of 6.9%, rounded to the nearest \$0.25.

² In tandem with the University of Ottawa. This fee has not been increased since 2019.

2023-2024 Miscellaneous Administrative Fees

Board of Governors

April 24, 2023

2023-2024 Miscellaneous Administrative Fees

Fee	2022-2023	2023-2024 Proposed	Increase*	Percentage
Omnibus Fee	\$44.00	\$47.00	\$3.00	6.8%
Examination Charges (in Canada)	\$92.00	\$98.25	\$6.25	6.8%
Examination Charges (outside Canada)	\$165.25	\$176.75	\$11.50	7.0%
Challenge for Credit	\$236.75	\$253.00	\$16.25	6.9%
Returned Payment Charge	\$38.00	\$40.50	\$2.50	6.6%
Late Payment Charges	\$115.00	\$123.00	\$8.00	7.0%
Grad Application Fee**	\$110.00	\$120.00	\$10.00	9.1%
Deferred Admission Fee	\$51.00	\$54.50	\$3.50	6.9%
Letters Of Permission	\$43.75	\$46.75	\$3.00	6.9%
Display Diplomas	\$131.00	\$140.00	\$9.00	6.9%
Replacement Diploma	\$92.00	\$98.25	\$6.25	6.8%
New Special Students Documentation	\$58.00	\$62.00	\$4.00	6.9%
Admission Processing Charge	\$72.50	\$77.50	\$5.00	6.9%
Extension	\$79.50	\$85.00	\$5.50	6.9%
Co-op & Career Services fee	\$436.75	\$467.00	\$30.25	6.9%
*All fees increased by inflationary increase of 6.9% rounded to the nearest \$0.25.				
**In tandem with the University of Ottawa. This fee has not been increased since 2019.				

Motion:

On the recommendation of the Finance Committee, **move to approve the Miscellaneous Administrative Fees to be implemented May 1, 2023, as presented.**

To:	Board of Governors	Date of Report: 23 March 2023
From:	Finance Committee	Date of Meeting: 24 April 2023
Subject:	2023-24 Student Association Fees	
Responsible Portfolio:	Vice-President (Students and Enrolment)	

1.0 PURPOSE

For Approval For Information For Discussion

2.0 MOTION

On the recommendation of the Finance Committee, move to approve the 2023-24 Student Association Fees, as presented.

3.0 EXECUTIVE SUMMARY

Student Associations charge fees for their activities and the University collects these fees on their behalf. All of the fees presented for 2023-2024 are existing fees. There are no proposed additional Student Association Fees for 2023-24. It is recommended that the proposed Student Association Fees for 2023-2024 be approved for implementation on September 1, 2023. (May 1, 2023 for Health and Counselling, Athletics and Career and Placement fees)

4.0 INPUT FROM OTHER SOURCES

The Student Associations and appropriate university departments and units were consulted. The consumer price index of 6.9% was obtained from Statistics Canada. This is the annual average for 2022 for the Ottawa-Gatineau region.

5.0 ANALYSIS AND STRATEGIC ALIGNMENT

Undergraduate Students' Association Fee

The fees are increased annually by CPI in accordance with previous referenda, and/or by agreement with the Canadian Federation of Students and OC Transpo.

There are no proposed changes to Undergraduate Students' Association Fee for 2023-24.

Graduate Student's Association Fee

The fees are increased annually by CPI in accordance with previous referenda, and/or by agreement with the Canadian Federation of Students and OC Transpo.

There are no proposed changes to Graduate Students' Association Fee for 2023-24.

Other Compulsory Fees for CUSA and GSA

In addition to association fees, Graduate and Undergraduate students pay fees for two ancillary operations: Athletics and Health Services, these fees were increased by CPI.

6.0 FINANCIAL IMPLICATIONS

The financial implications for the Student Associations and related activities would be that many services would not exist without funding generated from these Student Association fees. The funds are not from or related to the University budgets.

7.0 RISK, LEGAL AND COMPLIANCE ASSESSMENT

The Student Associations are separate legal entities, and, as such, the risk of declining revenues would not have a direct effect on the University. The associations are however tenants of the University and there is a risk that a revenue shortfall may encroach on their ability to afford the portion of the operating costs they are currently responsible for. In addition, fees and their approval are required to follow the Province's ancillary fee guidelines as well as the student fees agreement with CUSA. There is a potential risk that should fees get too high or excessive that it could impact the marketability of the institution and enrollment. The approval and review of the fees assists with mitigating this potential risk. In addition, while the Student Associations are separate legal entities, the University has entered into agreements with them requiring that the University be provided with their financial statements.

8.0 REPUTATIONAL IMPLICATIONS AND COMMUNICATIONS STRATEGY

Fee changes are routinely posted on the University web site, and are detailed in the registration process. As all Ontario universities must follow the same guidelines, the reputational impact for Carleton in particular should be minimal.

9.0 OVERALL RISK MANAGEMENT ANALYSIS

	VERY LOW	LOW	MEDIUM	HIGH	VERY HIGH
STRATEGIC	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LEGAL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OPERATIONAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TECHNOLOGICAL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FINANCIAL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
REPUTATIONAL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FULL-TIME UNDERGRADUATE - Per Academic Year ¹	2022-2023 Fee	PROPOSED INCREASE	INCREASE %	2023-2024 Fee
CUSA	\$49.35	\$3.41	6.9%	\$52.76
Academic Support Peer Tutoring	\$2.73	\$0.19	6.9%	\$2.92
Health & Mental Wellness	\$8.36	\$0.58	6.9%	\$8.94
Initiatives	\$3.52	\$0.24	6.9%	\$3.76
Sexual Violence prevention	\$4.06	\$0.28	6.9%	\$4.34
Ombudsperson	\$14.92	\$1.03	6.9%	\$15.95
Student Life & Success Programs	\$15.76	\$1.09	6.9%	\$16.85
CKCU Radio	\$15.76	\$1.09	6.9%	\$16.85
OPIRG	\$8.17	\$0.56	6.9%	\$8.73
Accessibility Fund	\$6.50	\$0.45	6.9%	\$6.95
Clubs and Societies	\$7.88	\$0.54	6.9%	\$8.42
Foot Patrol	\$2.86	\$0.20	6.9%	\$3.06
WUSC	\$2.73	\$0.19	6.9%	\$2.92
Interval House	\$0.67	\$0.05	6.9%	\$0.72
Sock n' Buskin	\$0.98	\$0.07	6.9%	\$1.05
Garden Spot	\$2.58	\$0.18	6.9%	\$2.76
Charlatan	\$6.34	\$0.44	6.9%	\$6.78
Carleton Legal Project	\$4.50	\$0.00	0%	\$4.50
Debating Society	\$1.00	\$0.00	0%	\$1.00
Canadian Federation of Students (National & Provincial) ²	\$18.18	\$1.22	6.8028%	\$19.40
Carleton Engineers Without Borders	\$2.00	\$0.00	0%	\$2.00
CUSA Drug/Accident/Dental Ins.	227.92	-\$48.05	-21%	179.87
University Centre Fee	\$57.48	\$3.97	6.9%	\$61.45
Millennium Village Fee	\$6.00	\$0.00	0.0%	\$6.00
UPass Fee ³	\$446.96	\$0.00	0.0%	\$446.96
UPass Admin Fee	\$4.77	\$0.33	6.9%	\$5.10
World Food Program	\$2.40	\$0.17	6.9%	\$2.57
CUSERT	\$2.90	\$0.20	6.9%	\$3.10
CUSA Bursary Fund	\$2.00	\$0.00	0%	\$2.00
Career and Placement ⁴	\$11.21	\$0.77	6.9%	\$11.98
Carleton Academic Student Government	\$1.29	\$0.09	6.9%	\$1.38
	\$892.43	-\$34.12	-3.8%	\$858.31

¹ Academic year is Fall and Winter term

² CFS and CFS-O increased by \$1.22 or 6.8028% as per letter received by CFS

³ No increase as per City Council's budget freeze on all transit fares for 2023 including U-Pass

⁴ Implement May 1, 2023

PART-TIME UNDERGRADUATE - Per Full Credit Course	20% of Full Time Fee ⁵			
	2022-2023 Fee	PROPOSED INCREASE	INCREASE %	2023- 2024 Fee
CKCU Radio	\$3.15	\$0.22	6.9%	\$3.37
OPIRG	\$1.64	\$0.11	6.9%	\$1.75
Accessibility Fund	\$1.30	\$0.09	6.9%	\$1.39
Clubs and Societies	\$1.57	\$0.11	6.9%	\$1.68
Foot Patrol	\$0.57	\$0.04	6.9%	\$0.61
WUSC	\$0.54	\$0.04	6.9%	\$0.58
Interval House	\$0.14	\$0.01	6.9%	\$0.15
Sock n' Buskin	\$0.20	\$0.01	6.9%	\$0.21
Garden Spot	\$0.52	\$0.04	6.9%	\$0.56
Carleton Legal Project	\$0.90	\$0.00	0.0%	\$0.90
Debating Society	\$0.20	\$0.00	0.0%	\$0.20
Canadian Federation of Students (National & Provincial) ⁶	\$3.64	\$0.24	6.8028%	\$3.88
Millennium Village Fee	\$1.20	\$0.00	0.0%	\$1.20
World Food Program	\$0.48	\$0.03	6.9%	\$0.51
CUSA Bursary Fund	\$0.40	\$0.00	0.0%	\$0.40
Student Association Fee	\$9.86	\$0.70	6.9%	\$10.56
Academic Support Peer Tutoring	\$0.55	\$0.04	6.90%	\$0.59
Health & Mental Wellness Initiatives	\$1.67	\$0.12	6.90%	\$1.79
Sexual Violence prevention	\$0.70	\$0.05	6.90%	\$0.75
Ombudsperson	\$0.81	\$0.06	6.90%	\$0.87
Student Life & Success Programs	\$2.98	\$0.21	6.90%	\$3.19
Student Opportunities & Spaces	\$3.15	\$0.22	6.90%	\$3.37
Charlatan	\$1.27	\$0.09	6.9%	\$1.36
Carleton Academic Student Government	\$0.26	\$0.02	6.9%	\$0.28
Career & Placement ⁷	\$2.24	\$0.15	6.9%	\$2.39
CUSERT	\$0.58	\$0.04	6.9%	\$0.62
University Centre	\$11.50	\$0.79	6.9%	\$12.29
	\$42.16	\$2.73	6.48%	\$44.89

⁵20% of full-time fee; exclude Upass, Health & Dental

⁶CFA and CFS-O increased by .24 or 6.8028% as per letter received by CFS

⁷ Implement May 1, 2023

FULL-TIME GRADUATE	2022-23	PROPOSED	INCREASE	2023-24
- Per Term	Fee	INCREASE	%	Fee
Graduate Students' Association	\$99.49	\$6.86	6.9%	\$106.35
Academic Support	\$7.54	\$0.52	6.9%	\$8.06
Career Services	\$6.47	\$0.45	6.9%	\$6.92
Health & Wellness Programming	\$7.98	\$0.55	6.9%	\$8.53
Ombuds Services Fee	\$2.01	\$0.14	6.9%	\$2.15
Unicentre Fee	\$13.24	\$0.91	6.9%	\$14.15
Community Engagement & Student Advocacy	\$19.01	\$1.31	6.9%	\$20.32
Grants, Scholarships, & Awards	\$36.24	\$2.50	6.9%	\$38.74
Support Centres	\$7.00	\$0.48	6.9%	\$7.48
GSA Capital Development Fund	\$3.00	\$0.00	0%	\$3.00
GSA Accessibility Fund	\$3.00	\$0.00	0%	\$3.00
GSA Sexual Assault Centre Fund	\$1.23	\$0.08	6.9%	\$1.31
Canadian Federation of Students ⁸	\$9.09	\$0.61	6.8028%	\$9.70
OPIRG	\$4.00	\$0.28	6.9%	\$4.28
WUSC	\$0.60	\$0.00	0%	\$0.60
Foot Patrol	\$0.47	\$0.03	6.9%	\$0.50
Charlatan	\$2.13	\$0.15	6.9%	\$2.27
CKCU Radio	\$3.90	\$0.27	6.9%	\$4.17
Garden Spot	\$1.29	\$0.09	6.9%	\$1.38
The Leveller	\$1.91	\$0.13	6.9%	\$2.04
U-Pass	\$229.07	\$0.00	0.0%	\$229.07
U-Pass Admin Fee (per year)	\$4.77	\$0.33	6.9%	\$5.10
Career and Placement	\$3.68	\$0.25	6.9%	\$3.93
GSA Health & Dental (per year)	\$412.69	\$24.71	6.0%	\$437.40
	\$780.32	\$33.79	4.33%	\$814.11

PART-TIME GRADUATE

		30% of full-time fee ⁹		
- Per Term	\$40.13	\$2.63	6.5%	\$42.76

⁸ CFA and CFS-O increased by .61 or 6.8028% as per letter received by CFS

⁹ Excluding UPass, GSA Health & Dental

Other Compulsory Fees for CUSA and GSA (per term)¹⁰

	Athletics Fee				Health and Counselling Fee			
	2022/2023 Fee	Proposed Increase	% Increase	2023/2024 Fee	2022/2023 Fee	Proposed Increase	% Increase	2023/2024 Fee
Undergraduate	\$108.08	\$7.46	6.9%	\$115.54	\$36.36	\$2.51	6.9%	\$38.87
Graduate	\$97.31	\$6.71	6.9%	\$104.02	\$36.36	\$2.51	6.9%	\$38.87

2023-24 Student Society Fee (per term)¹¹

Undergraduate – Full time

CSAAS Architecture Society (fall only)	\$15
CSAAS – Computer fee (fall only)	\$60
Commerce Society	\$22.50
Sprott (Commerce) Career Levy Fee	\$90
Engineering Society	\$19
CUESEF Engineering Society	\$25
CIDSA Industrial Design Society (fall only)	\$15
CIDSA – Computer fee (fall only)	\$95
Carleton Science Student Society Fee	\$6.20

Graduate – Full time

Sprott Career Levy	\$90
Sprott MBA	\$50
Sprott MAcc	\$50
Social Work	\$10
School of Public Policy & Administration	\$21

¹⁰ Implementation on May 1, 2023

¹¹ Only Charge to students within the respective faculty

2023-2024 Student Association Fees

Board of Governors

April 24, 2023

Approval Process

- University complies with the Ministry of Colleges and Universities legislation, policies, procedures and guidelines relating to Student Fees
- Any changes or proposed new Student Fees require a referendum and approval by the Board of Governors
- Referendum will be effective if > 15% of the Student Association Members vote
- The Student Association agreement include the Ancillary Protocol Process

2023-24 Student Association Fee Annual Increases

- Majority of fees are increased annually by CPI in accordance with original referendum
- Small number of fees have no increases in accordance with original referendum
- Exceptions:
 - Canadian Federation of Students (CFS) Fee increase is based on contract with CFS
 - UPASS fees are as required by contract with OC Transpo
 - Health and Dental Insurance fees are as set by the contract with the provider

2023-24 Referendums

- CUSA general election included 3 referendum questions:
 - Increase the Clubs and Societies fee, currently indexed by inflation, by \$1.98
 - Remove the current Millennium Promise fee of \$6
 - Create a Unified Support Centre Emergency Essentials Assistance Program levy of \$2.98 per semester
- Voter turnout rate was below the 15% threshold so no changes have been implemented
- GSA did not hold a referendum

2023-24 Student Association Fee Implementation

- Majority of fees are effective September 1, 2023
- The following fees are effective May 1, 2023:
 - Athletics Fee
 - Health and Counselling Fee
 - Career and Placement Fee
- Undergraduate Fees:
 - Full time undergraduate fees are assessed for the full academic year (academic year is the fall and winter term)
 - Part time undergraduate fees are 20% of full time fee per full credit course
- Graduate Fees:
 - Graduate fees are assessed per term
 - Part time graduate fees are 30% of full time fees
- Student Society Fees are per term unless otherwise indicated

Motion:

On the recommendation of the Finance Committee, move to approve the 2023-2024 Students Association Fees, as presented.

**Minutes of the 171st Meeting of the Building Program Committee
Friday, February 17th, 2023 at 10:00 a.m.
Richcraft Hall Room 2440R**

MINUTES

Present:	A. Tremblay (Chair) B.A. Bacon (President) A. Chan G. Farrell (Virtual)	D. Greenberg A. Keung (Virtual) S. Mingie
Staff:	B. Billings S. Blanchard L. Dyke A. Goth (Recording Secretary) R. Goubran L. Goudie C. Khordoc	A. Marcotte K. McKinley (Virtual) G. Nower J. Tomberlin M. Bright (Virtual) K. Solomon
Guests:	A. McIlroy (BMI, Virtual)	S. Eyob (BMI, Virtual)
Regrets:	B. Creary A. Khoyani	C. Tessier (Vice-Chair) A. Ullett

1. CALL TO ORDER AND CHAIRMAN'S REMARKS

The Chair called the meeting to order at 10:00 a.m. The Chair acknowledged the Algonquin Nation's traditional and unceded territory that members have gathered upon for the meeting and reflected on her personal relationship to the land. A Board member highlighted the renaming of the University Centre to Nideyinàn and the official renaming ceremony that took place on February 14, 2023. The Chair welcomed everyone to the meeting and reviewed the meeting protocols.

2. DECLARATION OF CONFLICT OF INTEREST

The Chair asked if anyone on the Committee felt the need to declare a conflict of interest. None were declared.

3. APPROVAL OF THE AGENDA

The agenda was circulated in advance.

It was moved by S. Mingie and seconded by D. Greenberg that the agenda of the 171st Building Program meeting be approved, as presented. The motion carried unanimously.

4. APPROVAL OF THE MINUTES AND BUSINESS ARISING

4.1 Minutes of Previous Meeting

The minutes of the 170th meeting of the Building Program Committee were circulated in advance.

It was moved by S. Mingie and seconded by A. Keung to approve the minutes for the 170th Building Program Committee meeting, as presented. The motion carried unanimously.

5. ITEMS FOR APPROVAL

5.1 New Student Residence – Budget Update

An executive summary and presentation were circulated in advance.

B.A. Bacon, President and Vice-Chancellor, outlined that the new student residence project broke ground in March 2022 and due to economic circumstances, the anticipated costs for the building are increasing but cost containment strategies have been explored without compromising the quality or sustainability of the building. The anticipated total cost of the project is \$98 million plus a recommended contingency of \$8 million. He noted that the demand for residence spaces is high, the residence will generate revenue, and it will aid in student recruitment.

G. Nower, Associate Vice-President (Facilities Management and Planning), provided a presentation on the 456-bed, 188,000-square-foot new student residence. The building is designed to promote and enhance a student-focused residential community experience and incorporates Passive House Design principles to achieve a high level of sustainability.

Most of the civil work (sanitary, storms, and watermains) and structural work (steel piles and rock anchors) is under way. There have been some issues with the pilings causing delays but the occupancy date is still on target for April 2025. Market challenges include trade shortages, supply chain issues, rise in labour, material and fuel costs, as well as a saturated construction market in Ottawa. Construction challenges include labour strikes, unforeseen site conditions, and pilings. Mitigation measures for schedule delays and cost increases include the use of design review, which involves working with the architects to simplify constructions details while respecting the integrity of the design. Carleton is collaborating with sub-contractors, through design assist, to find cost-effective solutions

and identifying opportunities for overlapping activities to save time. Carleton is involving industry experts on risks and cost consultants to ensure design and cost efficiency.

All of the tenders have now been closed. The total project costs are estimated at \$98 million with a contingency of \$8 million for a total of \$106 million.

S. Blanchard, Vice-President (Students and Enrolment), addressed the financial impacts of the new student residence. There are three sources of funding for the building including a \$10 million down-payment from the University Capital Reserve, \$80 million from the debenture, and an \$8-16 million internal loan with a minimal annual payment of \$1.2 million. Revenues for the new residence are projected to be \$3.8 million annually and incremental facility operating costs (such as staffing and maintenance) are built into the Housing System's financial plan. Any excess in expense over revenue will be funded by the Housing System. She noted that the demands for residences in Fall 2023 for upper-year students has increased by 46%.

High-level projections for revenue include an anticipated \$34 million in 2025/26 and 3% annual increases thereafter. Expenses are anticipated to be \$33.8 million in 2025/26 for debts and deferred maintenance, which is projected to remain at that level for the next four years. A furniture fit-up of \$3.0 million is expected for 2025/26 and overall the accumulated surplus by 2029/30 is expected to be \$23.5 million.

She reiterated that the delivery of the project is delayed until fiscal 2025/26 with the building accepting residence students in Fall 2025. The rising costs have been contained to \$98 million with an additional \$8 million to be held in contingency against further escalation. The strong financial position of the Housing System is able to absorb the cost increases.

The Chair inquired about the items that have long lead times, such as furniture. G. Nower confirmed that there are long lead times and they will be ordering well in advance for this reason. The lead time on glazing was noted as an area of concern, which will be mitigated by ordering in advance. A number of residential projects in the area have been put on hold, which is freeing up materials and supply chains.

A member asked if the increased building costs will put a strain on the University. S. Blanchard responded no, the University has been able to contain the increased costs and the Housing system is able to absorb the costs. B.A. Bacon added that a residence is not a complex building and there is not a lot of room for scope-creep. Most of the risks are related to the site conditions.

A member asked for clarification on the \$8 million contingency and whether it includes the previous \$1 million contingency. G. Nower responded that some of the \$1 million initial contingency was used to address the unexpected site conditions but some remainder is included in the \$8 million contingency.

A member asked for confirmation that "soft costs" were reviewed, including the furniture. G. Nower confirmed that soft costs were reviewed. The member followed up inquiring about the \$3 million to be included in the budget and noted that it was excluded and sought clarification of the reasoning for this exclusion. S. Blanchard responded that

when the budget for the project was originally prepared, the furniture was not included. The Board asked that the funds to cover the furniture be identified and the plan now shows the furniture fit-up for 2025/26 which comes from the residence precinct.

The Chair suggested including furniture costs in the total budget for future capital projects. B.A. Bacon suggested that, going forward, the inclusion of furniture in the total project budget can be taken into consideration. The Chair supported a discussion of the “all-in” costs, not retroactive for the new student residence going forward.

The member inquired how the increased costs impact the accumulated surplus in the Housing System. S. Blanchard responded that \$1.2 million additional costs for the annual payments of the internal loan is projected in the expenses and the projected surplus during that timeframe is reduced accordingly.

A member asked about the approximately \$35 million in deferred maintenance to the housing system. S. Blanchard responded that Facilities Management and Planning (FMP) looks at all of the projects on campus and \$5.5 million a year, over the next seven years, has been identified for deferred maintenance of student residences. G. Nower responded that Carleton’s residences are well-maintained and the Facility Condition Index is very low. The amount allocated to deferred maintenance is appropriate to maintain the assets in excellent condition.

It was moved by A. Keung and seconded by D. Greenberg to recommend to the Board of Governors, the approval of the New Student Residence updated implementation report at a total project cost not to exceed \$106 million, as amended. The motion carried unanimously.

6. ITEMS FOR DISCUSSION

6.1 Campus Master Plan 2022-2027 - Draft

An executive summary, presentation, and draft plan were circulated in advance.

The Chair introduced A. McIlroy, Principal of Brook McIlroy Inc. (BMI), and S. Eyob (BMI).

L. Dyke, Vice-President (Finance and Administration), advised the Committee of the extensive consultation process to date. Based on the feedback received, BMI has developed nine guiding principles that have helped form the draft Campus Master Plan Update. A final draft will come back to the Building Program Committee and full Board for final approval in April 2023.

A. McIlroy provided a presentation on the draft Campus Master Plan Update and took the Committee through the key design directions. She highlighted the consultations that took place with faculty, staff, and students with themes of sustainability, natural systems, accessibility, transportation, and building design. The campus design framework includes the following five “Big Moves”:

- 1) Green Ribbon and Geological Time Trail;

- 2) Flexible Campus Streets, Campus Gateways, and Pedestrian Network;
- 3) Tunnel Improvements and Expansions;
- 4) Restoration of Riparian Habitats and Stormwater Management; and
- 5) Potential Building Enhancements, Expansions, and Developments.

Three precincts were highlighted as potential areas of development including community and City of Ottawa partnerships in the north campus. Increased informal collaborative spaces are a focus for the west campus, such as the proposed Mackenzie Atrium and the Nideyinàn (formerly the University Centre) expansion and renovation to enhance accessibility and creating informal social and study spaces. The east campus precinct is an area of growth, such as the possible Wellness Hub, the mixed-use transit hub, as well as potential sites for new buildings. The potential for mixed use spaces on campus can further Carleton's integration with the City of Ottawa and greater region.

The Plan is intended to be flexible in fulfilling short-term University needs while planning for responsible, long-term future growth and development on campus.

The Chair congratulated the senior management team and the team from BMI for the updated draft plan. She commented on the extent to which University Avenue and the Light Rail Transit (LRT) bisect the campus and wondered about the potential for Plus 15 Connections over University Drive or other ways to reduce the impact of the bisection from the transit corridor. A. McIlroy responded that Plus 15 style, overhead bridging connections were considered within the scope of the transit hub. Improving the connections and the pathways from the east campus to the west campus is part of the Campus Master Plan. A bridge could be added over the rail corridor in the north campus precinct but it would not need to be a Plus 15. The tunnel system can be expanded as an option to move across campus. The Chair followed up on the need for protected movement across campus particularly in the context of the Wellness Hub.

A member commented on the success of the consultation process and the design concept for the updated Campus Master Plan. The member noted that the plan could be appealing to prospective students and the plan could be added to the website to help attract students.

A member commented that they were excited about the plans for the development of the Green Ribbon around campus. The member noted some additional short-term demands on campus not highlighted in the presentation, such as the Department of Engineering's need for an additional building as well as how the parking strategy fits into the plan. L. Dyke responded that there is a project plan for a Sustainability Research Centre; however, there is currently insufficient financing. Carleton is focused on short-term parking solutions at this time.

7. ITEMS FOR INFORMATION

7.1 Update on Transportation Plan and Parking Strategy

An executive summary and presentation were circulated in advance.

L. Dyke advised that Carleton is working on the implementation of the 26 recommendations from Parsons' 2019 Transportation Plan. Many projects have been completed or are in progress.

G. Nower provided a presentation on the implementation of the 2019 Transportation Strategy which focused on active travel, accessibility, parking, road network, and transit. He highlighted a number of the projects completed since 2019 such as the Stadium Way exit from Parking Lot 5 onto Bronson Avenue, the Raven Road extension for buses, sidewalk rehabilitation on Library Road, a new bike storage facility, and Phase 1 of Parking Lot 7 (P7) expansion. In the past year, the O-Train Bridge Renewal was completed with pedestrian safety fencing and lighting, the construction of a roundabout at University Drive to facilitate traffic flow and the installation of ten electrical vehicle charging stations in P7. Active projects include the P9 parking garage decommissioning with a completed feasibility study and an estimated completion date of 2024. LRT construction is ongoing, managed by the City of Ottawa, and there is no completion date at this time. Other active projects include the pedestrian bridge to Vincent Massey Park, expansion of the tunnel system, and a Site Plan Approval for P7 Phase 1 and Phase 2 Expansion of P7.

Future projects under consideration include additional bike storage, building multi-modal pathways on Campus Avenue and University Drive, widening sidewalks, improving lighting and emergency stations, improving tunnel connections and accessibility, and updating the 2019 Transportation Strategy.

B. Billings, Director of Campus Safety Services, presented the current and long-term parking challenges. The current parking strategy is focused on the short-term until there is a better understanding of the long-term challenges and the impacts of student preferences for learning, staff and faculty preferences for flexible work arrangements, and the public transit reliability.

Parking challenges include the de-commissioning of P9 (a loss of 651 spaces), a revenue deficit and impacts from the COVID-19 pandemic. The LRT is significantly behind schedule, staff and faculty parking demands are difficult to forecast, and visitor and accessible parking areas require re-alignment. Recommendations for addressing these challenges include consideration of the expansion of Lot P7, increasing parking rates, moving permit parking to the periphery of campus, developing a comprehensive Alternative Transportation Strategy to reduce parking demand, re-allocating parking lots in the campus core to accessible permit and visitor parking only, off-site parking options, permit sharing for flexible work arrangements, and developing a long-term parking strategy following completion of the campus LRT renewal.

Carleton is in dialogue with the National Capital Commission (NCC) regarding space north of P7 and other post-secondary institutions in Ottawa on their parking strategies and Carleton is collaborating with OC-Transpo on a broader transportation demand management strategy.

A member inquired about the Transportation Strategy implementation funding sources. A. Marcotte, Associate Vice-President (Financial Services), responded that the funding is from the Capital Reserve. G. Nower advised that the \$10 million is allocated to the

projects that are underway and completed. Future projects would require additional funding over and above this amount.

The Chair inquired about the building located at E7 in the Campus Master Plan that will be removed as it is located on a floodplain and if this could be a location for parking along the periphery of campus. L. Dyke responded that it is an idea that can be explored but it is currently greenspace by the river. A. Goth added that there is a small, surface parking lot in this location and a green field that is used for sports in the summer.

The Chair asked how information is being gathered for future parking demands. B. Billings responded that parking permits are sold to faculty and staff and Carleton is monitoring year over year usage. The University has oversold parking permits this year, some of which are to students that are doing flexible, hybrid learning. More people are driving to campus due to issues with public transit.

7.2 Ongoing Capital Projects Status and Capital Renewal (Deferred Maintenance)

An executive summary was circulated in advance.

G. Nower provided highlights of current projects including:

- Upgrades to the Loeb Building such as plans for solar cladding with cost-saving opportunities;
- Paterson Hall upgrades are underway including waterproofing to the quiet rooms and podium repairs as well as infrastructure improvements to the Paterson Hall Quad Areas;
- The Bronson Substation replacement Feasibility and Design is being considered for system updates to provide resilience and to add capacity for any new buildings that will be coming online;
- Upgrades are underway for the Campus Perimeter Security to ensure that doors can securely lock, adding card access to the perimeter and tunnel areas;
- Work is currently being done to update Carleton's watermain infrastructure and sewers on a five-year schedule;
- The Dunton Tower Supply Fan Replacement is complete with the addition of vibration sensors on the major fans to alert in the event of failure; and
- Tunnel and Campus Ventilation Upgrades are completed and UV bulbs are being added to all major air handling as a means of air purification.

The Chair asked if Carleton is calculating or tracking energy saving from building cladding. G. Nower responded that there has been a recent shift in the solar market, tied to the price of the panels and the price of electricity, panels are becoming more affordable. As the timeframe for panels to provide cost savings has reduced to 7-10 years and they are becoming a more important component of the Energy Master Plan. The Chair commented that this is a way to offset the carbon footprint of campus. Having metrics for the Committee would assist to understand the benefits of upgrades.

A member inquired about which departments are now in Dunton Tower as the School of Business have moved into the new Nicol Building. G. Nower advised that Dunton Tower is still occupied and is being used as swing space for other projects. B.A. Bacon added

that a new space is opening on the 17th floor of Dunton Tower for the Institute for African Studies.

B.A. Bacon provided a verbal update on the Wellness Hub and ongoing discussions with the City.

8. OTHER BUSINESS

The Chair raised the issue of implementation of the Campus Master Plan and possible future project proposals. A. Goth responded that an assessment is done every September outlining current projects underway and future projects to expect. She advised that projects could be framed in this way now that there is a refreshed Campus Master Plan. B.A. Bacon added that building plans are set out annually, noting the completion of the Engineering Design Centre, the start of construction on the New Student Residence, and plans for the Wellness Hub. He noted the major renovations to the Loeb and Paterson Buildings which are approximately \$40 million each, the plans for a new Sustainability Research Center but that costs are a challenge in the absence of Provincial funding. The next building to consider would be the Transit Hub, as part of the Campus Master Plan.

A. Goth advised that the Audit and Risk Committee is receiving a Capital Project Management internal audit in February 2023. She reassured the Building Program Committee that the report will come forward in April 2023 to the Committee.

The Chair asked if the recommendations would impact the Capital Planning Policy. G. Nower responded that the recommendations touch on internal governance and how smaller projects are prioritized. There may be some small changes to the flow chart of how Carleton moves through projects as they come to FMP. It was noted that the Capital Planning Policy will be due for review in February 2024.

L. Dyke advised the Committee that V. Turner has been hired as the new Associate Vice-President (ITS) and Chief Information Officer (CIO) following M. Dabros' retirement announcement.

9. IN-CAMERA SESSION

An in-camera session was held.

10. ADJOURNMENT

There being no further business, it was moved by A. Chan and seconded by S. Mingie to adjourn the meeting at approximately 11:58 am. The motion carried unanimously.

**Minutes of the 314th Finance Committee
Wednesday, February 22nd, 2023 at 12:30 p.m.
Richcraft Hall Room 2440R**

Present:	P. Dion (Chair)	A. Hamdani
	S. Mingie (Vice-Chair)	L. Honsberger (Virtual)
	B.A. Bacon (President)	N. Karhu
	B. Creary (Virtual)	J. Ojangole
	G. Farrell	P. Smith
	M. Fraser (Virtual)	
Staff:	S. Blanchard	N. MacDonald
	M. Bright	K. Mann
	L. Dyke	A. Marcotte (Virtual)
	A. Goth (Recording Secretary)	K. McKinley (Virtual)
	R. Goubran	J. Mihalic (Virtual)
	L. Goudie	G. Nower
	P. Leland	J. Tomberlin
	S. Levitt	A. Urquhart
	C. Khordoc	K. Solomon

1. CALL TO ORDER AND CHAIR'S REMARKS

The meeting was called to order at 12:31 p.m. The Chair acknowledged the Algonquin Nation's traditional and unceded territory that members have gathered upon for the meeting and provided a personal land acknowledgement. He reviewed the meeting protocols.

2. DECLARATION OF CONFLICT OF INTEREST

The Chair asked if any members needed to declare a conflict of interest. None were declared.

3. APPROVAL OF AGENDA

The agenda was circulated in advance. It was requested that item 5.2 be moved to 5.1.

It was moved by S. Mingie and seconded by A. Hamdani to approve the agenda for the 314th meeting of the Finance Committee, as amended. The motion carried unanimously.

4. APPROVAL OF THE MINUTES AND BUSINESS ARISING

4.1 Minutes of Previous Meeting

The minutes of the 313th meeting of the Finance Committee were circulated in advance.

It was moved by S. Mingie and seconded by A. Hamdani the minutes of the 313th meeting of the Finance Committee be approved, as presented. The motion carried unanimously.

5. ITEM(S) FOR APPROVAL

5.1 New Student Residence – Budget Update

An executive summary and presentation were circulated in advance.

The Chair outlined that the New Student Residence had previous been approved by the Board of Governors. Since then there have been significant cost increases in materials and supply chain challenges have resulted in tender prices exceeding the anticipated budget.

B.A. Bacon, President and Vice-Chancellor noted construction cost increases are in the range of 20%. The team has worked to contain costs through value-engineering without compromising the building's quality and sustainability. The team is asking for approval for a increase budget to \$98 million, with an additional contingency of \$8 million for a maximum of \$106 million. As the projects is out of the ground and with most tenders agreed upon, management is confident the contingency is sufficient. He advised that the budget increase can be absorbed within the business model of the residence system. Student demand for residences is strong and will get stronger as domestic demographics and immigration is forecast to rise over the next decade.

G. Nower, Associate Vice-President (Facilities Management and Planning), provided a presentation on the 456-bed, 188,000-square-foot new student residence. The building is designed to promote and enhance a student-focused residential community experience and incorporates Passive House Design principles to achieve a high level of sustainability.

Most of the civil work (sanitary, storms, and watermains) and structural work (steel piles and rock anchors) is underway. There have been some issues with the pilings causing some delays but the occupancy date remains April 2025. Some of the market challenges include trade shortages and supply chain issues, rise in labour, material, and fuel costs, as well as a saturated construction market in Ottawa. Construction challenges include labour strikes, unforeseen site conditions, and pilings. Specifically related to the pilings, a geotechnical analysis was conducted but not as efficiently as it should have been and additional length is required for the piles for the foundation. Mitigation measures for schedule delays and cost increases include the use of design review, which involves working with the architects to simplify constructions details while respecting the integrity

of the design. Carleton is collaborating with sub-contractors, through design assist, to find cost-effective solutions and identifying opportunities for overlapping activities to save time. Carleton is involving industry experts on risks and cost consultants to ensure design and cost efficiency and to offer an impartial perspective.

All of the tenders have now closed. The total project costs are estimated at \$98 million with a contingency of \$8 million for a total of \$106 million.

S. Blanchard, Vice-President (Students and Enrolment) addressed the financial impacts of the new student residence. There are three sources of funding for the building including a \$10 million down-payment from the University Capital Reserve, \$80 million from the debenture including the interest and the annual sinking fund. Between \$8-16 million is projected for an internal loan at prime with a minimal annual payment of \$1.2 million over 40 years. Revenues for the new residence are projected to be \$3.8 million annually and incremental facility operating costs (such as staffing and maintenance) are built into the Housing System's financial plan. Any excess in expense over revenue will be funded by the Housing System.

High-level projections for revenue include an anticipated \$34 million in 2025/26 and 3% annual increases thereafter. Expenses are anticipated to be \$33.8 million in 2025/26 for debts and deferred maintenance, which is projected to remain at that level for the next four years. The debt for the new residence including the bond and Interest Free Loan (IFL) is revised to \$4 million in 2025/26 going up to \$4.5 million thereafter until 2029/30. Approximately \$35 million is set aside for deferred maintenance for the housing system over the next five years. A furniture fit-up for of \$3.0 million is expected for 2025/26 and overall the accumulated surplus by 2029/30 is expected to be \$23.5 million.

She noted that the residence demands for Fall 2023 for upper-year students has increased by 46% pointing to the housing demands and increased rents in Ottawa. The housing systems debt repayments are decreasing including the closing of the debt for Leeds in 2026, Prescott-Russell in 2027, and Frontenac in 2028. She reiterated that the delivery of the project is delayed until fiscal 2025/26 with the building accepting residence students in Fall 2025. The rising costs have been contained to \$98 million with an additional \$8 million to be held in contingency against further escalation and a strong financial position of the Housing System will absorb cost increases.

A member sought clarification on the statement of the "strong financial position of the housing system". S. Blanchard elaborated that the University covers its debt repayment (\$8-\$16 million annually) and there is a growing surplus every year, even with the investment of \$5.5 million in deferred maintenance annually. B.A. Bacon added that of the eleven buildings that make up the residence precinct, only four still have a mortgage with the other seven fully paid off and operational, generating revenues.

A member inquired about the source of the financing and why the University was opting to do an internal loan instead of using the debenture. The member expressed concern that the loan would reduce the University's net assets on the balance sheet, which is an important ratio. Given the current volatility in the market they suggested it would be

prudent to not voluntarily reduce assets on the balance sheet when debenture funds are available. B.A. Bacon responded, there are six strategic projects that will draw from the debenture and \$80 million from the debenture is already going towards the new residence. S. Blanchard added that the internal loan gives flexibility to use the surplus for additional deferred maintenance, another project, or debt repayment of the IFL. The member followed up given the current environment where there is pressure on revenue, increasing costs, having net assets reduced may not be preferable from a governance perspective as it effects the University's financial position. B.A. Bacon responded that the University had the foresight to obtain the debenture at a low rate and that the University is in a good position from a reputational perspective. It is important to maintain flexibility with the debenture and the internal loan.

A. Marcotte, Associate Vice-President (Financial Services), advised that internally financed loans are shown as a reduction in the University's investment in capital assets. It is not coming off of the University's internally restricted net assets. It is noted as short-term financing which gives the University the flexibility to move the amount out of debt and into an investment in capital assets.

A member commented where there could be a future financial squeeze on the general appropriations of the University. Moving expensive financing to ancillaries that have annual surpluses is preferable and lower cost debt is available for other strategic projects. The member asked about the payments for the sinking fund and if the timeline is 37.5 years and if the \$5.5 million for deferred maintenance from the Housing System is included in the \$14 million annual budget. It was confirmed that the \$5.5 million is over and above the \$14 million in deferred maintenance for academic buildings. K. Mann, Controller, responded that the payments are over 40 years and the contingency for deferred maintenance does sit within the Housing System budget, which is evaluated periodically. He clarified that there is a small disconnect at the end of the repayment and for the last 2.5 years which Housing will continue to pay.

A member followed up advising the sinking fund needs to match the debenture. A. Marcotte advised that the sinking fund payments are being made to pay off the debenture and the amount that is being invested within the endowment will be enough to retire the debenture. What is being charged to the Housing System will start when the residence opens, which explains the disconnect in timing. K. Mann responded that the University is operating under the assumption that over the 37.5-year period, they are expecting the sinking fund may exceed the expectations and the money may be available sooner. By the time the payment period is in the last 2.5 years, it is expected that there will not be much remaining to be paid.

B.A. Bacon reminded the Committee of the big picture with strong demand for residence space. The University is able to absorb the cost increases and the Team has worked hard on cost containment and had the foresight as a Board to approve a \$220 million debenture. Carleton is currently making interest on the debenture funds, at approximately \$6 million a year.

A member inquired if the budget includes all costs for the residence, meaning Information Technology (IT) and furniture costs. S. Blanchard responded that all of the operating costs have been included. The furniture costs are in the financial plan under the \$3 million for the fit-up, but it is not included in the overall \$106 million. The member sought clarification if the Committee is being asked to approve the entire envelope for the project as the furniture will also be capital. B.A. Bacon advised that the \$3 million in furniture was approved in the original approvals.

It was moved by A. Hamdani and seconded by G. Farrell to recommend to the Board of Governors, the approval of the New Student Residence updated implementation report at a total project cost not to exceed \$106 million, as presented. The motion carried unanimously.

5.2 2023/2024 Ancillary Budget

An executive summary, report, and presentation were circulated in advance.

S. Blanchard introduced K. Mann in his new role as controller and L. Goudie, Assistant Director, Financial Accounting and Reporting who worked to develop the ancillary budget. The Ancillary Units provide diverse services all of which are integral to the University experience for Carleton students and campus.

Ancillary units are expected to generate sufficient revenue to fund the cost of providing services. While the pandemic had a significant impact on most ancillary units, 2022/23 will see close to pre-pandemic operating and demand for services. The largest ancillaries are undergoing deferred maintenance assessments and necessary work will be prioritized. For 2022/23, initially a small deficit of \$2.7 million was budgeted; however, \$4.5 million in surplus revenues is now projected. By the end of 2023/24, it is anticipated that the ancillary portfolio's surplus will grow to \$29.5 million and that surpluses will be used to help address deferred maintenance and to reinvest in services.

The largest ancillary unit is Housing and Residence Life, which includes accommodations for over 3,600 students. In 2022/23, residence occupancy was at approximately 96%, just below the 98% pre-pandemic level. Construction is underway on the new student residence with a planned opening of 2025 and Conference Services has returned to hosting live events. For 2023/34, Housing is budgeting for 98.5% occupancy, a proposed residence fee increase of 5%, and deferred maintenance budgeted at \$5.5 million. Overall, there are improved revenues for Housing, noting that increased expenses between 2022/23 and 2023/24 were due to increased staffing and cleaning as activities increase on campus. The budgeted closing accumulated surplus is \$11.8 million.

In a normal year, Dining Services operate 17 locations; however, staffing shortages have meant that several retail locations opened later than planned or remain closed. Meal Plan revenue remains and the deficit will be eliminated in 2022-23. Operating objectives and priorities for 2023/24 include a planned expansion to the Caf to support increased demand from the new student residence and a proposed Residence Dining Plan increase

of 6%. The revenues in 2022/23 were slightly lower than budgeted due to several retail locations opening later than expected and current year capital projects costs are higher due to timing. The projected 2022/23 closing accumulated surplus is expected to be \$800,000. The budget for the 2023/24 surplus is projected to be \$2 million.

Physical Recreation and Athletics includes freelance recreation and instructional programs, intramural leagues, 15 varsity teams, 21 competitive club teams, summer camps, and aquatics programs. Highlights for 2022/23 include a return to full activity levels on campus as well and the completion of the schematics and renderings for the Wellness Hub. The operating objectives and priorities are focusing on adaptive and diverse programs and services, rebuilding staff, a Student Health fee increase by Ottawa CPI (6.9%) and deferred maintenance. Revenues for 2022/23 were slightly above budget at \$15 million noting that additional space, such as the Wellness Hub, would allow for additional revenue generation.

Parking Services includes six permit lots, 4,400 parking spots, and includes all aspects of parking including traffic management, bicycles, and locker rentals. Parking utilization exceeds functional capacity, which will be exacerbated with the decommissioning of the P9 Parking Garage in May 2024. Carleton is exploring real-time parking availability mapping and other tactics to manage parking demands as well as identifying opportunities for off-campus parking in proximity to campus. An increase in parking rates of 10% is proposed for 2023/24 to bring fees closer to market rates elsewhere in Ottawa as well as financing deferred maintenance. Revenues are expected to be lower than the budget for 2022/23 due to reduced events on campus. The projected accumulated deficit for 2022/23 is \$2.2 million.

Health and Counselling Services includes medical, counselling, and health promotion services for the Carleton community. Demand for health services remains strong and visits have doubled since 2018 with 14,000 visits in 2022 compared to 8,000 in 2018. Carleton has a continued partnership with the Royal Ottawa Hospital helping to eliminate the waitlist for psychiatry. In 2023/24, a new electronic medical records system will be implemented, the department is actively recruiting physicians, and Carleton plans to increase the Student Health and Counselling Fee by Ottawa CPI (6.9%). In 2023-24 revenues are expected to increase slightly to \$4.3 million but expenses will also be higher due to the one-time fee associated with the implementation of the new electronic records system. The accumulated surplus is available to absorb the loss in 2022-23 and 2023-24.

Highlights for the remaining ancillaries include:

- The Print Shop will expand signage offerings with FMP, revenues are expected to double from 2021/22, but staffing needs for the Print Shop are being considered;
- Campus Card introduced a new line management system and will merge campus card and U-Pass;
- Nideyinàn (formerly University Centre) is completing a building assessment in 2022/23 for a three-year plan for deferred maintenance;

- Carleton Dominion Chalmers Centre saw a return to live events, it will increase activities with launch the Arts Bloom and open “the Hive”;
- Bookstore revenues have increased but remain lower than pre-pandemic as sales of textbooks continue to decline; and
- Internal contributions to the Ancillary Strategic Fund remain paused.

A member inquired about the Transfers from Operating – Deferred Maintenance line item and how it is included as part of the accumulated surplus. S. Blanchard responded that during the pandemic, funds were approved to go to the ancillaries to support continued investment in deferred maintenance projects. There is a lag with the use of funding as it has taken time for some of the projects to be completed. The rest of the transfers from the operating budget are for counsellors as this is a University need and the transfer is shown in the operating budget.

A member asked if there is a maximum cap on the surplus that an ancillary can have before it is transferred to the Ancillary Strategic Fund. S. Blanchard responded that the transfer is not mandatory but it is something that is done overall to manage the ancillaries. Ancillaries must cover their own costs before transfers are considered.

A member commented on the Parking Services 10% increase in fees and if increase should be higher due to market comparisons, demand, and the projected deficit. S. Blanchard responded that the ancillaries overall are in a surplus. Units may be in deficits at any given time depending on reinvestment or deferred maintenance.

The Chair added that parking costs should be as high as possible to encourage other modes of transportation to campus. S. Blanchard responded that they do not want to make too drastic of an increase for staff that depend on parking but the plan is to eventually bring fees inline with similar institutions in the City. B.A. Bacon added that a 20% increase was considered as Carleton’s parking rates are below market but it must be balanced with the needs of faculty and staff.

It was moved by J. Ojangole and seconded by N. Karhu to recommend to the Board of Governors, the approval of Carleton’s 2023/24 Ancillary Services budget, as presented. The motion carried unanimously.

5.3 Actuarial Valuation and Funding of Carleton University Retirement Plan

An executive summary, and actuarial valuation report were circulated in advance.

L. Dyke introduced the item advising that legislation requires that an actuarial valuation of the Carleton University Retirement Plan (the Plan) be undertaken to ensure that it is properly funded. The last evaluation, undertaken in 2019, showed that the Plan was underfunded and consequently the University was required to make an extraordinary pension payment. The 2022 evaluation was recently completed by Mercer and the

analysis shows that the Plan is fully funded. The Pension Committee has recommended that the actuarial report be approved.

A. Urquhart, Executive Director, Pension Fund Management, provided a presentation on the Pension Plan Actuarial Report. As of June 30, 2022, the Plan has \$1.5 billion in assets and is fully funded on the going-concern ratio (106% with a \$51 million surplus) and the solvency ratio (108% with a \$71 million surplus).

The Plan is a hybrid plan where the starting benefit is the greater of the Money Purchase Pension (Defined Contribution pension) or the Minimum Guarantee Pension (Defined Benefit formula). Current contributions are set at 8.15% from the employer and 5.05% from the employee, with a normal retirement age of 65, and increases after retirement based on investment returns. Active members in the plan have grown from 2,181 in 2019 to 2,429 in 2022. Retirees have also grown from 1,440 in 2019 to 1,578 in 2022 to a current total membership of 4,539 in the Plan.

Performance of the Retirement Fund (the Fund) is measured in a number of ways, including the return versus the benchmarks outlined in the Statement of Investment Policies and Procedures. The Fund has consistently outperformed the benchmark return and over the long-term. The return was 8.6% net over a 10-year period. This is important because increases in annual pensions are based on the Fund's four-year rate of return minus 6%. The Fund has done a good job of delivering increases in annual pensions at a rate that has kept up with inflation. However, in the most recent one-year period, performance has been challenging, which is common across the industry, due to rising interest rates and inflation. The Fund has grown from under \$900 million in 2013 to \$1.5 billion in 2022.

The Pension Committee worked with Mercer to do an actuarial valuation of the Plan at a point in time, comparing assets with accrued liabilities, and the completed valuation sets the contribution requirements for the period until the next filed valuation in three years. Once approved, the final report is filed with the Financial Services Regulatory Authority of Ontario (FSRA) and Canada Revenue Agency (CRA) by March 31, 2023. The plan considers two ratios:

- Solvency valuation: assumes the plan is wound up immediately, uses long-term government bond yields for discount rate, deficits amortized over five years, and special payments are only required if the ratio falls below 85%; and
- Going-concern valuation: assumes plan continues indefinitely, uses expected return on assets for discount rate, deficits amortized over 10 years, and special payments required if going-concern ratio is below 100% (includes a provision for adverse deviation that adds a buffer to the liabilities as stipulated by the Ontario regulator).

The position of the Plan has improved since 2019, with the going-concern ratio improving from the special payment after the 2019 valuation. The discount rate has remained stable during this period. With respect to the solvency ratio, the solvency discount rate has nearly doubled since 2019 as interest rates have risen rapidly. The

impact of the valuation on the University's contributions is money purchase contributions remain fixed at 5.3% of pensionable earnings. The minimum guarantee contributions will decrease from 3.54% to 2.85% of pensionable earnings and no special payments are required due to the fully funded status of the Plan. Total employer contributions for 2022/23 are \$21.7 million increasing to \$22.6 million in 2023/24. Employee contributions are \$13.4 million for 2022/23, increasing to \$14 million in 2023/24. The split is approximately 60/40 for employer/employee contributions.

Though performance has been strong, a sensitivity analysis helped inform the level of pension reserve the University keeps in case of adverse scenarios that could arise in future actuarial valuations. Other considerations include the Pension Benefits Guarantee Fund (PBGF) assessment, which is a form of insurance to protect members in case of a defined benefit pension single employer bankruptcy. The University payment will be reduced by \$819,785 due to the strong actuarial valuation result.

It was moved by A. Hamdani and seconded by G. Farrell to approve the recommendations of the Pension Committee to accept the Actuarial Valuation for Funding Purposes of the Carleton University Retirement Plan as at June 30, 2022, as presented. The motion carried unanimously.

6. ITEM(S) FOR INFORMATION

6.1 2022/2023 Operating Budget Update

An executive summary and presentation were circulated in advance.

A. Marcotte provided an update on the 2022/23 operating budget, reporting that a balanced budget is projected. New domestic undergraduate enrolments held steady and new domestic graduate enrolments are up 2% over 2021/22. Tuition decreased by \$14.5 million compared to budget due to international student visa issues and summer enrolment returning to pre-pandemic levels. Investment of Bond proceeds will provide an additional \$6.3 million in revenue and savings in expenditures and contingencies will amount to \$11.9 million to fully offset the tuition shortfall.

A detailed review of 2022/23 Tuition Revenue was provided. Domestic Undergraduate and Graduate tuition were slightly above target by \$1,500,000; however, International revenue for both undergraduate and graduate decreased by \$6.8 million and \$3.8 million respectively. Summer revenues decreased by \$5.4 million reflecting a return to pre-pandemic trends. Overall, the tuition shortfall is expected to be \$14.5 million but the impact of the shortfall is mitigated by a number of cost-saving items as well as strategic investment from bond proceeds. Savings from the close-out of the ARISE Building continue to be used, there is an in-year contingency of \$2.8 million and custodial savings of \$1.9 million. Another \$1 million is expected to be saved from the recent pension valuation as well as other cost savings from professional fees. With these results, Carleton will be able to maintain healthy reserves and cash balances.

6.2 2022/2023 Status of Reserves

An executive summary and presentation were circulated in advance.

A. Marcotte provided an update on the 2022/23 Status of Reserves, which is earned revenue that is in excess of expenses that is earmarked for future spending. Reserves are referred to as Internally Restricted Net Assets on the audited financial statements and are used as a key metric by the Council of Ontario Universities (COU) for financial sustainability. General, Capital, and ongoing IT facility project reserves are expected to be drawn down by \$40 million and the viability and reserve ratio metrics are expected to remain above sector averages. The University's conservative approach to long-term financial planning, combined with the practice of carrying forward unspent budgetary balances has deterred wasteful year end spending and enabled the University to maintain healthy financial metrics over the last few years.

A five-year review of the reserves was provided included the forecast for 2022/23. Reserves related to Carleton's general operating appropriations are expected to decrease by approximately \$38 million. As more normalized operations resume, supply chain issues are resolved, previously unspent budgets are now being utilized. The Capital Reserve will contribute the planned \$10 million towards the new student residence and ancillary reserves are expected to grow as their operations approach pre-pandemic levels.

In 2019/20, the University drew down some of the pension reserve to make a lump-sum payment towards the Plan deficit and the reserve has maintained a steady state at \$69 million since that contribution. In 2020/21 the Finance Committee approved the reallocation of surplus reserves in the Investment Income Equalization reserve to Capital and in the last five years the Capital reserves have contributed to investments in the Nicol Building, the ARISE building, the Co-Generation facility, and to the ancillary deferred maintenance projects during the pandemic.

Two key financial metrics to assess financial sustainability in the sector are the primary reserve ratio and the viability ratio. The Primary Reserve Ratio is the number of days that the institution can operate without any new resources. The estimated Primary Reserve Ratio for Carleton in 2022/23 is 221 days, compared to the Ontario medium-sized university average of 146 days. The viability ratio is the funds on hand to settle long-term debt. Carleton's viability ratio for 2022/23 is estimated at 156% compared to the 109% of similar Ontario institutions. Overall, Carleton is maintaining strong financial reserves and there were no concerns to highlight for the Board at this time.

The Vice-Chair asked about the Pandemic and Strategic Allocation and given the current status of the pandemic, if this will get renamed to just Strategic Allocation and more broadly what is the plan for these funds. B.A. Bacon responded that the pandemic situation still could change. The name of the fund can be reconsidered in Summer 2023. A. Marcotte added that a five-year view was presented, looking back when the pandemic was more of a concern. The funds will be moving strategically to other needs.

6.3 Update on Planning Framework for 2023/2024 Operating Budget

J. Tomberlin, Provost and Vice-President (Academic), provided an update on the planning of the 2023/24 operating budget. He advised that budget letters had been issued to the Resource Planning Committees (RPC) Chairs and they were asked to plan for a 2% base budget cut and the RPC Chairs. They were advised that the University has no additional base funding to allocate. All of the budget request documents have been presented and distributed to each RPC chair and the presentations of the budget requests will take place on March 2 and 3, 2023. The presentations will go back to the Provost's Budget Working Group who will then make recommendations in advance of the next meeting of the Finance Committee.

6.4 Ongoing Capital Projects Status and Capital Renewal (Deferred Maintenance)

An executive summary was circulated in advance.

G. Nower provided a verbal update on the projects totaling over \$180 million that are currently underway on campus. Major capital projects included the following:

- Loeb Building: updates to cladding and considering options for solar material that can be used as insulation and cladding;
- Paterson Hall: Phase 1 upgrades are nearing completion, including waterproofing, soffit work, and walkway will be wrapped up in Spring 2023;
- Bronson Substation: Replacement Feasibility and Design to upgrade switchgears to ensure resiliency in the power supply and different options will be provided for recommendation;
- High-Voltage Condition Assessment: in process to ensure that the power can be taken from the Substation and efficiently distribute it across campus which is being reengaged with a new team and will start in Summer 2023; and
- Tunnel and Campus Ventilation Upgrades: started in January 2022 with new exhaust fans and air handling units installed throughout the entire tunnel system, the installation of a UV purifying system is on schedule for completion later in 2023.

7. OTHER BUSINESS

No additional business was raised.

8. IN-CAMERA SESSION

An in-camera session was held with and without the President and University Secretary.

9. ADJOURNMENT

There being no further business, the meeting adjourned at approximately 2:32 p.m.

**Minutes of the 120th Meeting of the
Advancement and University Relations Committee
Tuesday, January 17th, 2023
Richcraft Hall Room 2440R**

Present:	K. Furlong (Chair) D. Greenberg (Vice-Chair) B.A. Bacon B. Creary (Virtual) G. Farrell	M. Gillis L. Grussani (Virtual) N. Karhu L. Newton Miller M. Porter
Regrets:	J. Taber	
Guests:	M. Brown P. Rankin S. Clarke C. Hobin	H. Greatrex D. Chea R. Davies
Staff:	R. Goubran J. Conley S. Levitt T. Frost A. Goth (Recording Secretary)	M. Bright K. McKinley (Virtual) K. Solomon N. Afouxenidou

1. CALL TO ORDER AND CHAIR'S REMARKS

The meeting was called to order at 12:30 p.m. The Vice-Chair provided a personal land acknowledgement. He recommended the documentary *Nîpawistamâsowin: We Will Stand Up* as a resource for context of Indigenous issues in Canada. The Chair welcomed the committee members and reviewed the meeting protocols.

2. DECLARATION OF CONFLICT OF INTEREST

The Chair asked if anyone on the Committee felt the need to declare a conflict of interest. There were none declared.

3. APPROVAL OF THE AGENDA

The agenda was circulated prior to the meeting. It was moved by G. Farrell and seconded by N. Karhu that the Advancement and University Relations Committee approve the agenda of the 120th meeting, as presented. The motion carried unanimously.

4. APPROVAL OF MINUTES & BUSINESS ARISING

Minutes of the previous meeting were circulated in advance. It was moved by N. Karhu and seconded by B. Creary that the Advancement and University Relations Committee approve the minutes of the 119th meeting, as presented. The motion carried with one abstention. There was no business arising from the previous minutes.

5. ADVANCEMENT

5.1 Report from the Advancement Leadership Team

A presentation was circulated in advance.

B.A. Bacon, President and Vice-Chancellor, introduced the item. He noted that in 2018/19, the University closed a ten-year, \$308 million campaign. He credited the Advancement Team with a post-campaign surge. In 2021 Carleton raised \$41 million, \$42 million in 2022, and anticipates another \$40 million will be raised in 2023.

Jennifer Conley, Chief Advancement Officer, introduced Advancement's collaborative leadership team and provided a presentation on how the team achieves its goals. Advancement's approach is relationship-based and strong social capital internally and externally. J. Conley advised that she leads the overall engagement and fundraising strategy for Advancement's team of 60 professionals and leads special projects like the \$300 million campaign. Advancement works to further Carleton's mission and the Strategic Integrated Plan (SIP) by providing the pathway to purpose through the community engagement mandate. In addition to J. Conley, the presenting team included Ryan Davies, Director Digital Transformation, Sarah Clarke, Director Advancement Services, Corrie Hobin, Director Major Gifts and Strategic Partnerships, Diane Chea, Director Philanthropy, Holly Greatrex, Director Personal and Planned Giving.

R. Davies advised that Carleton is in a competitive marketplace for fundraising and must present a very compelling purpose-based opportunities to prospective donors. Donors want to give with purpose and leverage philanthropy to build solutions to emerging challenges. Carleton has to reflect that purpose and, a gift to Carleton becomes a gift through Carleton. Within Advancement's core mission, donors have multiple pathways to making change, such as by investing in education, research, or community engagement initiatives. Donors can realize more immediate change or focus on the long term. By investing in Carleton,

donors are investing in the specific ideas and specific passion of faculty, inspiring staff, or students. Advancement's role is to broker by connecting individuals with shared purpose to make a collective impact.

The team shared some of the techniques and strategies employed by Advancement to deliver its mandate and the "science of fundraising" which include the following:

- 1) **Market Research:** philanthropic trends, economic forecasts, donor feedback, professional standards, donor rights, and privacy legislation;
- 2) **Assessing Priorities:** feasibility studies, needs assessments of communities served, valuations, stakeholder socialization, and consultations.
- 3) **Research and Records:** data management, prospect research, qualification, reputation assessment, and record keeping;
- 4) **Outreach:** web and social media tracking, email and direct mail response, surveys, discovery interviews, and phone outreach with student callers;
- 5) **Engagement:** international alumni engagement, community liaison, volunteer activity, personal outreach, and peer-to-peer connections;
- 6) **Active Fundraising:** discussion documents, direct response, donor behavior, solicitations 'making the ask', and proposal feedback;
- 7) **Gift Agreements:** capturing donor intent, financial vehicles, risk and liability, fulfillment and oversight, and approvals; and
- 8) **Stewardship:** accountability, retention rates, pledge fulfillment, financial and impact reporting, and qualitative satisfaction.

Advancement is pacing well towards its operational goals and to achieve the April 30, 2023 revenue target of \$40 million for the teaching, learning, and research enterprise of Carleton.

The Chair inquired about Giving Tuesday, and how the reputational campaign has impacted Advancement. J. Conley responded that Giving Tuesday raised \$1.2 million in 24 hours and with the matching from the Board a total of \$2.5 million was raised. With respect to research funding, three major partnerships with companies such as Blackberry and Ericsson have been developed through the Holistic Integrated Partnerships in collaboration with the Vice-President (Research and International). The brand campaign was launched in 2022 and direct feedback is not yet available to quantify. R. Davies added that the story telling component of the brand campaign assists as does the consistency between the fundraising outreach and the reputational outreach.

6. UNIVERSITY RELATIONS

6.1 Reputational Enhancement Project – Update

A presentation was provided.

B.A. Bacon introduced the brand enhancement project. Started in 2021, it is now entering Phase 2 of the campaign to enhance Carleton's visibility.

T. Frost, Chief Communications Officer and Associate Vice-President (Communications and Public Affairs), provided an update. He reviewed the first phase of the campaign which involved creating awareness and building profile with influencers such as leaders in business, community, and academics. He reviewed the storytelling narrative strategy and the types of ads used in the campaign. The results of this campaign included 97 million impressions and 151,000 clicks as a measure of engagement. He advised that Carleton has implemented strategies for earned media to increase visibility with a 31% increase in hits from 2021 to 2022.

Social media platforms such as Twitter, Tik Tok, and Instagram are increasingly important, especially for influencers and students. Carleton's social media grew at a rate of 12% over the past year whereas many of its peers declined. Increasing Carleton's presence is important as there is a correlation between how well an individual knows and institution and how likely they are to rank the university as high quality. Another important indicator of this is the annual Maclean's magazine institutional ranking. Between 2016 and 2021, Carleton's ranking remained static at 23rd overall, but with the new strategy Carleton improved to 21st in 2022 and 20th in 2023. In 2022, Carleton undertook a prospective undergraduate student campaign to create awareness and build profile underscoring the brand promise of "smart, caring, community". The campaign saw 38 million impressions and 100,000 clicks across all platforms, well above the targets.

Phase 2 has started with an influence campaign and a new full cycle integration of the prospective undergraduate student campaign, with the goal of creating awareness, building preference, and driving conversion to applications. The campaign is based on student journey alignment from high school students in September when they first start thinking about applications, to considerations for applying, preferences, and where will they apply, and in which order. He provided examples of the ad sets and explained the sophisticated geographic targeting that can be done for prospective students. Phase 2 received 93 million impressions, and increase of 245% over Phase 1 and 294,000 clicks, a 294% increase.

The Carleton Challenge Conference will be taking place on May 10, 2023 which will demonstrate Carleton's engagement with a globally pressing issue. The conference will feature alumni and researchers with a focus on global mental health. The intended audience of the conference are the same influencers that are the focus of the brand awareness campaign. Partners for the conference include the Globe and Mail, The Royal Mental Health Care and Research, and private partners include the Mach-Gaensslen Foundation of Canada.

The Chair commented that the statistics were impressive and that the campaign is well anchored. Success will be measured in the year-over-year performance and lessons learned for reaching target audiences.

6.2 Carleton Dominion Chalmers Centre – Community Engagement Update

An executive summary and presentation were circulated in advance.

B.A. Bacon introduced P. Rankin, Dean of the Faculty of Arts and Social Sciences (FASS). The Carleton Dominion Chalmers Centre (CDCC) was acquired in 2018. The CDCC is

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located downtown and provides opportunities for community engagement with FASS as the anchor faculty for the space.

P. Rankin noted the important role that the building has played in the social and cultural lives of the National Capital Region. Carleton's reimagining of the space has insured that it will continue as a vibrant Ottawa landmark. The CDCC works to support and advance Carleton's Strategic Plan for Community engagement through relationships, systems and services, creativity and innovation, communications and connections, and recognizing efforts.

M. Brown, Director of the Carleton Dominion Chalmers Centre, provided a presentation. To date, CDCC has hosted over 55 Carleton departments and more than 125 community artists and organizations and events, including workshops, concerts, lectures, and book launches.

The CDCC has strong relationships with students and their research activities, including undergraduate curricular programs in music, graduate students' placements, and partnerships rooted in performance, heritage, and community. Currently, the School for Studies in Art and Culture's Music, Sound and Society in Canada is using CDCC as a base and it previously acted as a meeting space for the Centre for Urban Youth research. A formal relationship has been fostered between Carleton Music and the Ottawa Symphony Orchestra. The CDCC offers student practicum placements, and they are working with the SSP and Act to Employ to provide student employment opportunities.

The CDCC is a 1912 historic heritage building with a number of ongoing capital projects, assessments, and repairs that are required. The three most recently completed projects include the Chapel flooring project to increase accessibility, establishing a music editing suite, and adding a spring floor to promote a healthy rehearsal and training space which is suitable for individuals using mobility devices. Creativity and innovation are priorities for the CDCC and there is a collaboration with the Innovation Hub to develop ways that Innovation Hub programs may serve the creative industries sector. A need has been identified for bookable, fluid spaces and the Hive Project will work to develop a new space to foster networking in a more informal context.

Communications and connections continue to be a priority for the CDCC.. The CDCC engages in online outreach through a number of campaigns, particularly during the COVID-19 pandemic. M. Brown highlighted the number of attendees to events during and since the pandemic with a trend towards in-person attendance increasing with online decreasing but remaining important. December 2022 saw the return of sold-out concerts with just almost 850 attendees.

Since 2018, over \$3.5 million in gifts and pledges have been raised to support CDCC. She highlighted the collaborative work between CDCC, Advancement, and FASS leadership in this achievement. Looking forward, priorities include holistic integrated partnerships and research and heritage building preservation and restoration. A virtual tour of the CDCC was shared with the Committee.

The Chair asked how much revenue is generated from third-party use. M. Brown responded that a current estimate is challenging as the building was only open for 10 months before the pandemic closures. CDCC is reaching a \$300,000 revenue goal which includes non-academic university groups, community rentals, parking, and the United Church as a full-time tenant. Approximately 50% of CDCC activities are community based and 80-90% of revenue is from those groups.

A member inquired about the heritage building designation. M. Brown advised that the majority of the heritage restrictions apply to the exterior façade. There is more flexibility for renovation plans and revitalizations to the interior to use all of the space.

7. OTHER BUSINESS

The Chair advised that an update was received from the University Secretary and Advancement for recognition of Board members who retired during the pandemic.

8. IN-CAMERA SESSION

An in-camera session was held.

9. ADJOURNMENT

There being no further business, the committee adjourned at approximately 2:16 pm.

To:	Board of Governors	Date of Report: 24 March 2023
From:	Finance Committee Building Program Committee	Date of Meeting: 24 April 2023
Subject:	Ongoing Capital Projects Status & Capital Renewal (Deferred Maintenance)	
Responsible Portfolio:	Vice-President (Finance and Administration)	

1.0 PURPOSE

For Approval For Information For Discussion

2.0 MOTION

This report is for information only.

3.0 EXECUTIVE SUMMARY

Projects totaling \$196,253,800 are currently underway. Value of work completed to March 2, 2023 totals \$74,106,239 with forecast expenditures of \$122,147,561.

In addition to the updates to the projects listed below (**identified with ***), the following are of note since the last meeting of the Building Program Committee:

- Engineering Design Centre (EDC) final deficiencies will be completed in spring 2023.
- New Student Residence budget has been updated to \$106 million (including \$8 million in contingencies).
- Concept Design for Loeb Building exterior envelope remediation and replacement program has been received, and a capital proposal form has been prepared for approval.

This report also provides a budget update on the overall Capital Renewal (Deferred Maintenance), Facility Renewal Program (FRP), and Transportation Fund budgets.

4.0 INPUT FROM OTHER SOURCES

The ongoing Capital Projects Status & Capital Renewal (Deferred Maintenance) report is prepared by Facilities Management and Planning (FMP) team.

5.0 ANALYSIS AND STRATEGIC ALIGNMENT

Capital Renewal and Deferred Maintenance project investments improve campus space and the built environment to facilitate collaboration, enhance the student experience, and support academic programming to align with the initiatives outlined in the [Strategic Integrated Plan](#):

Share Knowledge, Shape the Future

Serve Ottawa, Serve the World

Strive for Wellness, Strive for Sustainability

The following provides an update of the major projects and programs currently at various phases of development:

Major Capital Projects (chronologically)

- **Engineering Design Centre (Mackenzie Building Addition)**
Start Date: September 2020 **Substantial Completion:** December 2022
***Update:** Substantial completion was achieved in December 2022, and the EDC project team expects to attain final completion in spring 2023. The final completion date was pushed back as a result of remaining deficiencies that are primarily exterior (roof, exterior painting, exterior cladding) and,

therefore, require seasonally appropriate weather conditions in order to complete the work. The building remains fully occupied per its intended use(s).

- **New Student Residence**

Start Date: February 2022 **Construction Completion:** 2025

***Update:** The New Student Residence project was originally scheduled for construction in 2020, but was paused due to challenges presented by the pandemic. The project was re-started, and is being delivered via a construction management delivery strategy. All tenders have closed, with some awaiting evaluation prior to being awarded. Excavation, removal of existing services, installation of new sanitary and storm lines, watermains, hydro duct banks, and all ground improvements are complete. The concrete for the crane pad has been installed, the tower crane erected, and the formwork and rebar contractors have mobilized. The updated schedule from the contractor shows an occupancy date of April 2025. Facilities Management and Planning (FMP) continues to work with the Construction Manager and the Design Team for pull planning activities to save time, resources, and money. Additional funding was approved by the Board to complete the project.

- **Regional Aquatics Centre and Wellness Hub**

Design Start: September 2019 **Schematic Design Completed:** December 2021

Update: On hold, pending the outcome of the City of Ottawa RFI process **Completion:** TBD

The Wellness Hub is a 230,000gsf (gross square feet), four-storey, above grade building which includes a new aquatics centre, wellness research and academic space for Carleton faculty and students, student services space and community gathering spaces. Carleton took receipt of the final schematic design document from the consultant. In February 2022, Carleton was invited to a commercially confidential meeting with the City of Ottawa in response to the City of Ottawa's Request for Expression of Interest (RFEOI) for an Ottawa Aquatics Complex. Space Management/Campus Planning is currently reviewing the existing Athletics Building, and exploring functional programming options on what could be done with the space if the pool is decommissioned, and how the space could be utilized.

- **Loeb Building Upgrades**

Start Date: January 2022 **Completion:** TBD

***Update:** A Building Condition Assessment has been completed and submitted to FMP. FMP has been in communication with the key stakeholders and is in the Conceptual Design Phase stage reviewing the proposed options and materials. Phase 1 for the immediate repairs to the interior stairs and exterior guardrails has been awarded to a general contractor and work is underway. Phase 2 for the building envelope remediation design is underway. The project team is looking at constructability, materials, energy efficiencies (Building-Integrated Photovoltaics) and costing/cost savings for presentation and funding approval. Approvals of the concept design will lead to Phase 2 - Developed Design and subsequent execution.

- **Paterson Hall Building Upgrades**

Start Date: January 2022 **Completion:** TBD

***Update:** A Building Condition Assessment has been completed and submitted to FMP. FMP is obtaining further clarification regarding the [City of Ottawa's heritage registry](#) recommendation announced in 2017 to determine the impacts this may have on the future planning for Paterson Hall and consultation with legal counsel will be required. This will, in turn, set the parameters and requirements for the RFP for the overall building upgrade.

Phase 1 of the project addressing immediate repairs to the podium and quiet room are underway and nearing completion, however, the project has experienced delays due to ongoing water infiltration issues at both sides of the pathway.

Phase 2 is presently underway setting up the parameters, delivery methodology, strategy and requirements for the RFP for the overall building upgrade through initial internal collaboration with the space management and campus planning team. Stakeholder occupants have yet to be added to the

conversation, but will be included as requirements are further defined.

Capital Renewal/Deferred Maintenance Projects (alphabetical order) 2022/2023 Projects

- **Bronson Substation Replacement Feasibility and Design**

Design Start: TBD

***Update:** Procured design and engineering services for feasibility study and design services to replace Bronson Substation #1. The Bronson Substation #1 switchgear has passed the end of its expected service life and various components are reaching obsolescence, if not already obsolete, with replacement parts becoming or already being unavailable from manufacturers. The feasibility and design services will review different options, and provide high-level pricing so that FMP can provide a recommendation to the university's senior leadership about the potential way forward. The project team is looking to phase the construction, which would reduce the impact on the Carleton community.

- **Campus Perimeter Security Upgrades**

Design Start: March 2022 **Construction Completion:** TBD

***Update:** Perimeter Security program has finalized the standardized program requirements related to updated door hardware materials. The program building list has increased from 16 to 18 buildings, as Health Sciences and Steacie buildings were added. The program remains funded by Campus Safety Services and Capital Renewal/Deferred Maintenance. As the principal output, this program of work will enhance perimeter security throughout campus by implementing upgrades and/or replacement of doors and frames as well as the installation of card access and security cameras. Herzberg Building tender submissions were evaluated in March, with construction to commence in the spring 2023.

The following buildings are to follow Herzberg with tender issuance in 2023: Dunton Tower, Azrieli Pavilion and Theatre, Steacie Building, and Health Sciences.

- **MacOdrum Library Cooling Tower Replacement**

Start Date: August 2022 **Completion Date:** TBD based on equipment delivery

***Update:** Replacement of the roof-mounted cooling tower that services the library is required.

Included as part of the project is improved access platforms for maintenance servicing. The work has been awarded to a mechanical contractor, and the existing unit will continue to be in place until the replacement occurs in fall 2023.

- **Roof Replacement Program 2022-2023**

2022-2023 Program Start Date: April 2022 **Construction Completion Date:** Fall 2022

2023-2024 Program Start Date: May 2023 **Construction Completion Date:** Fall 2023

***Update:** The 2023-2024 Roof Replacement Program includes Azrieli Pavilion and Theatre, Tory Building, and the Tory Building/Nideyinàn building link. Tender documents were issued in February 2023, and the contract awarded in March 2023. Construction is to start May 1, 2023 with the majority of the work to be substantially completed by Aug. 15, 2023. There will be some road disruptions on Library road, and some pedestrian pathways, stairs, and parking locations blocked during the construction phase.

- **Paterson Hall Quad Area Infrastructure Improvements Start**

Date: August 2022 **Completion Date:** October 2023

***Update:** Demolition of stair structure, retaining walls, seating, and walkways, as required, to remove and relocate infrastructure. Excavation and removals for tunnel repairs and waterproofing are included in this project, as well as the removal and relocation of storm, sewer, watermains, water lines, catch basins and sewer covers.

Unforeseen scope and site conditions were uncovered during the excavation and structural inspections have expanded the work to include high voltage. The full depth removal and installation has been completed and the new duct bank for the high voltage loop is underway. Final landscape

reinstatement is outstanding and will become a new separate project. This new project is anticipated to start following completion of the infrastructure and tunnel waterproofing scope, approximately, at the end of June 2023 with substantial completion expected in September 2023 (pending funding approval).

- **Richcraft Hall Theatre Seating Replacement**

Start Date: August 2022 **Completion Date:** Seating - Winter 2023, Lighting – April 2023

***Update:** Replacement of the theatre seating and carpeting in Richcraft Hall room 2200. The supplier has been engaged through a competitive RFP process, site verification and measurements occurred in August. Space Management and Campus Planning is working with Scheduling & Examination Services to co-ordinate the installation. Carpeting was replaced in December 2022 during exams and the holiday break. The seating was fully replaced over the winter break to provide 379 riser mounted auditorium seats, six new Jump Seat positions to allow for flexible use of accessible locations and new height adjustable tables for the accessible spaces. New riser mount lighting will be installed starting April 24, 2023, completing the theatre upgrades.

Status Updates of Ongoing Projects from prior years (in alphabetical order)

- **Andrew Fleck Childcare Centre Base Building Upgrades and Addition Start**

Date: May 2021 **Occupancy:** March 2022

***Update:** Substantial completion was achieved in June 2022. Multiple delays were experienced with doors, hardware and glazing as well as the building inspector's availability. The project faced multiple challenges due to subcontractors' constraints. The addition part of the project is now complete, the client's request for a modified outdoor play area is in the design development phase.

- **Athletics Chiller Replacement**

Start Date: September 2021 **Construction Completion:** Spring 2023

***Update:** This project has been awarded to a mechanical contractor. The chiller arrived on campus and was hoisted onto the roof in December 2022. Due to below zero temperatures, final connections and commissioning of the new unit will occur in the spring 2023.

- **Building Energy Audits and Retro-Commissioning Program**

Start Date: December 2021 **Completion:** Spring 2023

***Update:** A consultant has completed the Azrieli Pavilion, St. Patrick Building and HCI/VSIM energy audits, and the reports have been accepted by Carleton University. The final reports outlined a series of capital investments and operational recommendations to improve the energy performance of the building. This activity supports the goals, as stated, in the Energy Master Plan. FMP is applying the information in future energy improvement projects and guidelines for renewal and deferred maintenance projects. The project will close out in 2022/2023 fiscal.

- **Campus Sanitary Sewer/Storm Sewer/Watermain Infrastructure**

Start Date: November 2022 **Completion:** Fall 2023

***Update:** Two contracts have been awarded for the trenchless sewer lining and maintenance access rehabilitation, plus rehabilitation of sewer and watermain structures (replacement of faulty valves). The ladder removal and reinstallation portion started in March 2023.

Final baseline schedules are currently under review to ensure there are no conflicting construction areas between the two projects. These two initiatives will accomplish the essential improvements required on Carleton's sewer and watermain infrastructure.

- **Central Heating Plant Generator Replacement**

Start Date: October 2021 **Construction Completion:** TBD

***Update:** The current generator that services the Central Heating Plant on campus is nearing its end of

life and must be replaced. The project has been awarded to a general contractor, however, the completion date was delayed due to site conditions and cable delivery lead time. Emerging site conditions and electrical safety regulations have impeded the work progress. The generator arrived at the warehouse of the supplier in Ottawa, however, the main breaker was missing. The project team is analyzing the different options to determine the path forward to get this project completed.

- **Dunton Tower Supply Fan Replacement**

Start Date: (AHU#2) - November 2021 **Construction Completion:** (AHU#2) - November 2021

Start Date: (AHU#1) - February 2022 **Construction Completion:** (AHU#1) - Summer 2023

***Update:** Air Handling Unit (AHU) #2 fan supply and installation is complete and operational. AHU#1 work has been awarded, but further supply chain issues with the fan has pushed the completion date from December 2022 to summer 2023. The work is being planned to occur on weekends to reduce the impact to the building occupants. This work was required after the building's main air supply fan failed in September 2021.

- **Dunton Tower 3rd Floor Heating Improvements and Renovations Start**

Date: March 2022 **Construction Completion:** January 2023

***Update:** This project has resolved the historic heating issues experienced on the 3rd floor. All work was co-ordinated with the interior renovations planned on the 3rd, 7th, 8th, 9th, 10th, and 17th floors vacated by Sprott. The phasing of the project addressed the heating improvements, 3rd and 17th floor renovations first, and the swing space floors (7, 8, 9,10) second. The 3rd and 17th floor renovations are complete and the space is occupied. All work related to this project is complete, and the project will close out in 2022/2023 fiscal.

- **Dunton Tower Fire Alarm and Smoke Control Modifications Start**

Date: July 2022 **Construction Completion:** Spring 2023

***Update:** The purpose of this work is to enhance the fire alarm and ventilation systems to improve smoke management in the stairwells. The project is 70% complete and still on target for a spring 2023 completion.

- **Herzberg Building Renewal upgrades in Block B on Levels 1, 2 and 4 Start**

Date: TBD

***Update:** The consultant team has delivered 90 per cent drawings. Due to the negative impact the pandemic has had on delivery time for the equipment, in particular the air handling units, and risks this poses to meeting the schedule, the project is currently on hold as the implementation schedule and strategy is reviewed with the project team. FMP has received the updated building condition audit completed by a third-party condition assessment firm, the project team is comparing the proposed plan with the audit report.

- **High-Voltage Condition Assessment and Five-Year Renewal Plan**

Start Date: February 2022 **Completion:** TBD

***Update:** A consultant team has been engaged to complete a condition assessment of the current infrastructure and complete a five-year renewal plan to address any concerns. A campus-wide test of electrical systems in each building on campus started in February 2022 and was expected to be completed by August 2022. The testing and maintenance contract was competitively awarded to an electrical contractor to carry out the review. The FMP team hosted briefing sessions with key stakeholders and the building authorities to consult on the schedule and the impacts to the building occupants. Testing and maintenance activities are planned to re-start in summer 2023. The consultant is currently in the design phase for the concrete replacement that contains the high voltage bus duct in the tunnels near Teraanga Commons. A class D estimate will be provided to determine the next steps.

- Lighting Replacement Program – MacOdrum Library, Azrieli Pavilion, HCI VSIM**
Start Date: July 2022 **Construction Completion:** August 2022(ML) March 2023(AP/HCI/VSIM)
***Update:** The existing lighting in MacOdrum Library, Azrieli Pavilion, and HCI/VSIM have been replaced with LED lamps and all buildings are complete, with minor deficiencies to be addressed. The program supports Carleton’s goals as outlined in its [Energy Master Plan](#) and [Sustainability Plan](#). These three lighting replacement projects brought in approximately \$65,000 in incentives back to Carleton and will result in a significant decrease to our energy consumption. Year 2 of the program is currently under review to strategize the buildings that will see the highest return on investments.
- Premise Isolation on Incoming Water**
Start Date: February 2021 **Construction Completion:** Spring 2023
***Update:** The Premise Isolation on Incoming Water Project entails upgrading and modifying the watermain entry connection (domestic and sprinkler system) with specific types of Backflow Preventers (BFP) for the older buildings across campus in order to conform to the City of Ottawa’s Water By-law to protect drinking water quality. The majority of the 41 buildings have been completed. FMP’s Maintenance Services team will take over the required annual inspection services required by the City of Ottawa. St. Pat’s fire pump has been received and installed, remaining work at Nesbitt and Richcraft will occur in spring 2023.
- St. Patrick’s Building Art Gallery - Building Envelope/HVAC Upgrades Phase 1**
Start Date: May 2022 **Construction Completion:** August 2022
Phase 2 Start Date: Spring 2023 **Construction Completion:** 2024
Update: A feasibility study has been completed and the decision has been taken to replace all interior drywall on the perimeter and selected interior walls. Included in the scope is Phase 1 - lighting, ceilings, sound system and Phase 2 - HVAC. Phase 1 is complete. The Phase 2 portion of the work, which involves upgrades to the mechanical systems, is planned to start in spring 2023, with construction in 2024 due to mechanical equipment lead times and supply chain issues.
- Tunnel and Campus Ventilation Upgrades**
Start Date: January 2022 **Construction Completion:** Tunnel - June 2022, Buildings - April 2023
***Update:** The tunnel project is complete and the tunnels reopened to all members of our community with new exhaust fans and air handling units installed throughout the entire tunnel system. Mackenzie, Loeb Building, and Andrew Fleck Childcare ventilation upgrades have all been awarded to mechanical contractors. The work in Andrew Fleck Childcare, and Loeb building are complete. Mackenzie building is awaiting delivery of variable frequency drives (VFDs) and once these are received and installed, this project will be deemed complete.

Campus Transportation Projects

- University Drive/Bronson Intersection Modifications**
Update: The modifications to the Bronson Avenue/University Drive intersection are highlighted as part of Carleton’s 2019 [Transportation Plan](#) which recommends measures to improve traffic flow on campus. This project included the addition of a second left-turning lane heading north on Bronson Avenue, an enhanced cycle path, pedestrian sidewalk improvements, and a new roundabout complete with a centre island with stonework and landscaping. The pedestrian safety railing for the O-Train overpass bridge was installed in February 2022 and the landscaping is finished. This project is now complete and FMP is working with the City of Ottawa to finalize the 3rd Party Agreement between Carleton and the City.

6.0 FINANCIAL IMPLICATIONS

The pandemic’s impact on pricing, supply chain and resource issues continue to affect project budgets and schedule. Contractors are including greater contingencies in their pricing to deal with the volatile market, which has resulted in increased tender bids and project costs. As a result, Carleton and FMP must allow for greater project contingencies and continue to collaborate with our partners to prepare for the potential challenges.

FMP and project stakeholders will identify collaborative mitigation strategies to determine the most effective project delivery methods. Price escalation allowances are being included in cost estimates for projects that will not be tendered immediately, to account for cost increases over time. Now that the campus is back to in-person learning, some projects may require after-hours work to minimize occupant disruption, which may result in higher construction costs.

7.0 RISK, LEGAL AND COMPLIANCE ASSESSMENT

Risks that our construction projects are facing include schedule delays, construction cost increases and inflation, supply chain issues, resource and trade availability. These cost increases and supply chain risks are being managed by planning projects well in advance, in collaboration with the end-users, actively working with consultants and contractors to manage costs, specifying the preference for Canadian-supplied products as much as possible, and completing cost benefit analysis on pre-purchasing items with long lead times. Early funding approvals, tendering projects early in the year prior to the busy summer construction period, proper contracts, ensuring proper contingency, as well as risk planning helps to mitigate these risks. The university also mitigates its hazard and liability risk by providing an owner-controlled construction insurance program depending on the size of the project, and by including performance, labour and material bonds as a tender requirement.

8.0 REPUTATIONAL IMPLICATIONS AND COMMUNICATIONS STRATEGY

The new capital projects and capital renewal deferred maintenance initiatives will play a role in attracting and retaining students, faculty, employees, and the community to the university, thus contributing to enhancing Carleton's reputation. Delays in completing capital projects could have a negative reputational impact with internal clients and potentially future students, as well as having a negative financial impact to the university. Disruptions as a result of construction work in occupied buildings and site infrastructure may have a negative impact on the campus community and student experience. To mitigate these risks, every effort is being made to plan and schedule the work as effectively as possible.

As increasing numbers of students, faculty, and staff are back on campus, there is greater need for planning and communication strategies.

Ongoing communications with the campus community and key stakeholders is part of project management oversight. FMP continues to have the support of Carleton's communications professional staff.

9.0 OVERALL RISK MANAGEMENT ANALYSIS

	VERY LOW	LOW	MEDIUM	HIGH	VERY HIGH
STRATEGIC	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LEGAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OPERATIONAL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
TECHNOLOGICAL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FINANCIAL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
REPUTATIONAL	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Carleton University
Major Capital Projects
Reporting at March 2023**

Project	Budget	Work Completed to Mar 2/23	Anticipated Expenditures to Come	(Over) Under Budget
Capital Renewal 2019/20	14,000,000	11,274,986	2,725,014	0
Capital Renewal 2020/21	14,000,000	10,447,096	3,552,904	0
Capital Renewal 2021/22	14,000,000	8,196,672	5,803,328	0
Capital Renewal 2022/23	14,000,000	5,605,387	8,394,613	0
Engineering Design Centre (ME Addition)	18,394,000	17,187,375	1,206,625	0
New Residence	106,000,000	9,325,053	96,674,947	0
Wellness Hub - Concept Design	884,500	861,039	23,461	0
Transportation Fund	10,000,000	6,360,751	3,639,249	0
Facilities Renewal Program 22/23	4,975,300	4,847,880	127,420	0
TOTAL	196,253,800	74,106,239	122,147,561	-

To:	Board of Governors	Date of Report: 7 March 2023
From:	Building Program Committee	Date of Meeting: 24 April 2023
Subject:	Capital Renewal (Deferred Maintenance) Plan for 2023-2024	
Responsible Portfolio:	Vice-President (Finance and Administration)	

1.0 PURPOSE

For Approval For Information For Discussion

2.0 MOTION

This report is for information only.

3.0 EXECUTIVE SUMMARY

Similar to other Canadian universities, Carleton has an aging building infrastructure. Our current building asset portfolio has an average building age of 40 years. Managing these assets requires carefully allocating the annual Capital Renewal Deferred Maintenance (CRDM) and Facilities Renewal Program (FRP) budget to address our campus community's diverse and changing needs while mitigating infrastructure risk.

To ensure that Carleton can support the student experience, academic goals, and research, investments must be made to renew and maintain existing buildings and infrastructure. The university must also ensure that the renewals and deferred maintenance projects are aligned with our sustainability and energy master plan goals.

The 2023-2024 Capital Renewal Plan represents year nine of Carleton's 10-Year Capital Renewal and Deferred Maintenance Program commitment. The university's deferred maintenance program systematically addresses many needs, including improved electrical and plumbing systems, ventilation, building envelopes; interior finishes, site infrastructure (sewer/storm/watermain) and ensures proper preventative maintenance programs are in place to maintain our physical assets. By addressing base building and site infrastructure issues first, the university will decrease the risks and costs associated with unexpected failures, unplanned disruptions on campus, and ensure that base building systems can adequately handle future requirements.

The 2023-2024 capital renewal and deferred maintenance planned projects are aligned with guiding documents that the university has established, along with departmental requests when possible.

4.0 INPUT FROM OTHER SOURCES

Each unit from Facilities Management and Planning (FMP), as well as data from the SLAM (streamlined asset management) database, and various consultant feasibility studies, reports, and investigations provides input into the capital renewal and deferred maintenance planned projects.

5.0 ANALYSIS AND STRATEGIC ALIGNMENT

The allocation of deferred maintenance funding is prioritized towards systems that have the highest risk score, to mitigate infrastructure risk with consideration to building occupants, the university's activities, and the long-term plan for the campus. This information is based on multiple sources to ensure the right infrastructure and projects are prioritized.

Where possible, the Capital Renewal/Deferred Maintenance projects are planned, co-ordinated and aligned with other initiatives on campus such as:

- [Carleton University Campus Master Plan](#)
- [Carleton University Coordinated Accessibility Strategy](#)
- [Carleton University Digital Strategy](#)
- [Carleton University Energy Master Plan](#)
- [Carleton University Kinamagwin - Learning Together](#)
- [Carleton University Outdoor Space Master Plan](#)
- [Carleton University Strategic Integrated Plan](#)
- [Carleton University Sustainability Plan](#)
- [Carleton University Transportation Strategy](#)

6.0 FINANCIAL IMPLICATIONS

The university invests approximately \$18 million per year to upgrade and maintain Carleton's aging infrastructure: \$14 million comes from the university's operating budget and approximately \$4 million from the government's Facilities Renewal Program (FRP). The construction industry is still experiencing supply chain disruption (in particular mechanical equipment, and doors) and increased project costs. Much of the renewal work is being done on buildings that are over 40 years old that contain asbestos and unknown site conditions. To manage these risks, increased project contingencies and cost escalation allowances must be carried and additional intrusive work is completed at the feasibility stage to uncover as many unknowns as possible.

7.0 RISK, LEGAL AND COMPLIANCE ASSESSMENT

Risks of not addressing deferred maintenance initiatives involve:

- Increased cost of breakdown repairs
- Risk of catastrophic failures
- Reduced overall equipment effectiveness
- Negative impact on building occupants and core services, resulting in unplanned service disruption and/or building shutdowns
- Increased risk of personal injury claims and health and safety issues
- Increased carbon footprint for aging infrastructure

Construction work in aging buildings increases the risk of unforeseen site conditions. This risk can be mitigated by completing intrusive investigative work in advance and/or soft demolition to expose current conditions.

FMP typically does not receive FRP funding confirmation from the government until May or June and the amount allocated can fluctuate each year. FMP plans and identifies in advance which projects will meet FRP funding criteria to ensure that these projects are expended by the grant deadline of March 31.

Some of the major risks the projects are facing involve construction cost increases, supply chain issues, resource and trade availability and carrying out work in an occupied environment. These cost increases and supply chain risks are being managed by planning projects well in advance and, in collaboration with the end-users, actively working with consultants and contractors to manage costs, specifying the preference for Canadian-supplied products as much as possible, and completing cost benefit analysis on pre-purchasing items with long lead times.

Inflation in the construction sector and the growing risk of adverse weather events due to climate change increasingly pose a unique set of challenges. Failure to address deferred maintenance will impact Carleton's ability to meet its strategic initiatives.

8.0 REPUTATIONAL IMPLICATIONS AND COMMUNICATIONS STRATEGY

Deferred maintenance is not just an issue for facilities staff, it affects the campus community at large. It shapes the campus experience for students, researchers, librarians, faculty, staff and the external community. The university must strive to provide facilities and spaces that are competitive with other institutions, and failure to do so could have a negative impact on the university's reputation, recruitment and retention.

Disruptions as a result of failed infrastructure and emergency and shutdowns have a negative impact on the campus community, student experience and reputation. To mitigate these risks, every effort is made to plan and schedule the work proactively. Ongoing communications with the campus community and key stakeholders are part of project management oversight, and FMP continues to have the support of Carleton's communications professional staff.

9.0 OVERALL RISK MANAGEMENT ANALYSIS

	VERY LOW	LOW	MEDIUM	HIGH	VERY HIGH
STRATEGIC	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LEGAL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OPERATIONAL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
TECHNOLOGICAL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FINANCIAL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
REPUTATIONAL	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

***2023-2024 Capital Renewal/Deferred Maintenance Projects**

Project	Estimate
Asbestos Abatement Program	\$150,000
Azrieli Pavilion ventilation and base building upgrades	\$400,000
Black Start Implementation – additional funding	\$300,000
Campus perimeter security and door replacement and upgrades, includes accessibility improvements (Year 2)	\$1,500,000
Chiller Improvements Several chillers need to be overhauled over the next few years with bearing replacements to avoid failures, and prolong the useful life of the chiller	\$200,000
Consulting services for future planned work, investigative and sustainability studies	\$175,000
Cooling Tower fill material replacement (SC,CB) to prolong useful life of the towers	\$200,000
Dunton Tower Level 2 curtain wall replacement (to be implemented with perimeter security)	\$500,000
Emergency Power Maintenance and Repair Improvements	\$100,000
Flooring and ceiling replacement in academic buildings	\$175,000
HVAC upgrades/improvements and chilled water metering replacements	\$175,000
MacOdrum Library Booster Pump Replacement	\$125,000
MacOdrum Library Elevator Modernization (1A and 1B) Feasibility and design	\$75,000
Mechanical and Electrical Upgrades (chillers, air handling units, domestic hot water) in academic buildings	\$2,000,000
Main Quad East Stair Replacement and Tunnel Repairs	\$2,700,000
Minto Case Curtain Wall replacement (to include solar option)– design fees	\$75,000
LED Lighting Replacement and Lighting Control Upgrades Program Year 2	\$650,000
Roof Replacement and Roof safety upgrades (AT,AP,TB,NN Link)	\$2,200,000
UVC Lighting Program continuation	\$1,500,000
St. Patrick’s Mechanical Upgrades continuation (Air handling unit, chiller, humidifiers, and motor control centre (MCC))	\$650,000
Tory Building Theatre Enhancements (theatre seating replacement, flooring and lighting upgrades)	\$600,000
Tunnel Upgrades and 5-10 year renewal plan	\$2,000,000
Contingency for cost escalations and emergency repairs	\$1,250,000
PDC Project Management Fees	\$300,000
Total	\$18,000,000

Transportation Fund	
Road, sidewalk, and multi-use pathway improvements to align with Transportation Plan and accessibility goals	\$400,000
Total	\$400,000

**List to be adjusted based on actual amounts allocated from the Facilities Renewal Program Grant

To:	Board of Governors	Date of Report: 14 March 2023
From:	Building Program Committee	Date of Meeting: 24 April 2023
Subject:	Short-Term Parking Strategy	
Responsible Portfolio:	Vice-President (Finance and Administration)	

1.0 PURPOSE

For Approval For Information For Discussion

2.0 MOTION

This report is for information only.

3.0 EXECUTIVE SUMMARY

Future parking demand is difficult to predict due to three key factors that continue to evolve. The mix of course delivery modes (face-to-face versus online) is shifting following the pandemic. Flexible work arrangements for staff have been implemented and are still maturing. Significant investments in Ottawa’s light rail transit system are expected to come online in the near future and potentially reduce demand for campus parking. As a consequence of these situational factors that are in flux, Carleton’s parking strategy is focused on short-term tactics.

Parking utilization on campus exceeds “functional capacity” as per industry standards and parking demand continues to outpace supply. This situation has developed over the past few years, as a result of several factors: some parking lots have been used for new buildings and student enrolment and the campus population have increased. The LRT shutdown currently in effect and scheduled to continue until fall 2023, has resulted in the increased use of non-public transit options to access campus. Driving to, and parking on, campus is currently the most convenient and affordable method of commuting. Carleton University staff and faculty are guaranteed parking permits. Since the COVID-19 recovery, the student parking permit waitlist has been as high as 700 students and the oversell has been as high as 70 per cent. The industry standard oversell for student parking permits is 50 per cent.

In 2024, with the planned decommissioning of the P9 Parking Garage, 538 staff permits will need to be relocated to P7 as all other interior staff permit lots are currently full, with waitlists. This will displace 672 student permits from Lot P7. If the Wellness Hub and Athletics expansion project proceeds, this will reduce Lot P5 from 597 spaces to 80 spaces, displacing 476 staff permit holders to P7. Student permit holders in Lot P7 will be displaced to accommodate this staff influx, thereby potentially resulting in a total of 1,268 unassigned student permits. Visitor parking in the vicinity of Athletics will also have to be reconsidered, encroaching on internal staff parking lots (P4, P12, P11), causing further student permit displacement.

Completion of Lot P7 Phase 2 expansion in August 2023 will provide temporary student permit relief and guarantee staff and faculty parking availability. The additional 501 parking spaces will bring the lot total to 1,166 spaces. This inventory will meet current student parking demand for the 2023-2024 Academic year, with no waitlist. Visitor parking will continue to be stressed as permit parking takes priority.

In addition to the expansion of P7, other current mitigation efforts include:

- Negotiations with the National Capital Commission (NCC) for the lease of the 100-space lot to the north of the campus.

- Continued promotion of the day permit option for staff on Flexible Work Arrangements.
- Continued promotion of carpooling and ride-sharing options for permit holders.
- Increased parking rates to narrow the gap with market rates. This will help to reduce demand and fund infrastructure investment and deferred maintenance.

Further short-term options under consideration include:

- Another expansion of P7 (Phase 3) to the south and west (Anniversary Park).
- A small surface parking lot for visitor and accessible/service vehicle parking needs in the P9 location once the parking garage is demolished.
- Possible leasing of off-site parking at Brewer Park (City of Ottawa) and Confederation Heights (Public Works and Government Services).
- Continued increases to parking rates to better align with market rates.
- Upon the return of the LRT, initiating a comprehensive alternative transportation strategy and communication campaign to promote multi-modal commuting options (i.e., public transit, carpool/rideshare, etc.) to reduce demand on campus parking resources by single driver vehicles. This may include linking the student U-PASS waiver to student parking pass issuance - this measure would dramatically reduce student parking permit demand.

As campus development proceeds and alternative transportation strategies unfold, supply and demand for parking resources will be carefully monitored in order to assess future parking infrastructure and inventory requirements.

4.0 INPUT FROM OTHER SOURCES

The Short-Term Parking Strategy is a key component of the Transportation Plan, which incorporated feedback from key stakeholders from the City of Ottawa, the National Capital Commission (NCC), community representatives and Carleton students, faculty, and staff.

5.0 ANALYSIS AND STRATEGIC ALIGNMENT

The Transportation Plan addresses some of the numerous transportation challenges and opportunities expected to impact the university environment from 2019-2024. It aligns with and reflects key priorities identified in new and previously completed initiatives and plans including but not limited to:

- Strategic Integrated Plan
- Campus Master Plan
- Campus Outdoor Space Master Plan
- Coordinated Accessibility Strategy
- Sustainability Plan 2020-2025
- Capital renewal and deferred maintenance program

6.0 FINANCIAL IMPLICATIONS

Parking Services is an ancillary operation for the university and is expected to generate revenues that would support all of Parking Services' required maintenance, operations, and upgrades. The Phase 2 expansion of Lot P7 in 2023 and the decommissioning of the P9 Garage, scheduled for summer 2024, will be carried as a debt by Parking Services. This is expected to be fully paid back within 10 years. Increasing parking rates in line with market rates and maximizing revenues to Parking Services will be key to ensuring recovery from the current deficit and maintaining sustainable operations while addressing the deferred maintenance plan.

7.0 RISK, LEGAL AND COMPLIANCE ASSESSMENT

Risks involved include traffic disruptions on campus, customer dissatisfaction, conflicts with other major capital projects, schedule delays, supply chain issues, cost increases, and skilled trades availability. Continued review and risk mitigation strategies will be implemented to ensure that Carleton delivers these projects successfully.

8.0 REPUTATIONAL IMPLICATIONS AND COMMUNICATIONS STRATEGY

Many of the transportation projects have high visibility and can have a positive or negative impact on how Carleton is seen internally and externally, thus having an impact on the university's reputation. The planning process, and stakeholder management practices will keep the campus informed and help to manage expectations.

Road and infrastructure work can result in many disruptions to the Carleton campus and external community. Communications has been key to the planning for all projects and will continue to be central to how the campus community and key stakeholders are kept informed. Communications will continue to be a priority in our planning for ongoing and future projects. FMP will continue to work with communications staff to ensure this is achieved.

9.0 OVERALL RISK MANAGEMENT ANALYSIS


	VERY LOW	LOW	MEDIUM	HIGH	VERY HIGH
STRATEGIC	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LEGAL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OPERATIONAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TECHNOLOGICAL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FINANCIAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
REPUTATIONAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Short-Term Parking Strategy

April 2023

Why a Short-Term Focus?

- Mix of course delivery modes (face-to-face and online) are shifting
- Staff flexible work arrangements are evolving
- LRT developments may change behaviour

 Future parking demand is uncertain



Current Parking Challenges

- ❑ LRT significantly behind schedule
- ❑ Unmet demand for parking significant
- ❑ De-commissioning of P9 Garage in summer 2024 = loss of 651 parking spaces.
- ❑ Wellness Hub/Athletics Expansion = potential loss of 500 spaces.
- ❑ Revenue deficit – Pandemic impact, below-market rates, high deferred maintenance

Short-term Measures in Progress

- ❑ Expanding Lot P7 – Phase 2 by fall 2023 (501 additional spaces)
- ❑ Leasing adjacent NCC Lot (100 spaces) – in negotiations
- ❑ Providing Flexible Work Arrangements staff parking option
- ❑ Promoting car-pooling/ride-sharing options to permit holders
- ❑ Increasing parking rates to fund infrastructure investment

Additional Medium-term Options

- ❑ **Develop a comprehensive Alternative Transportation Strategy Plan to reduce parking demand:**
 - **Work with City of Ottawa and OC Transpo to enhance public transit options**
 - **Promote public transit/LRT to campus community**

- ❑ **Continue to move parking rates closer to market rates**

- ❑ **Create surface parking lot on P9 location post-demolition**

- ❑ **Expand P7 (Phase 3)**

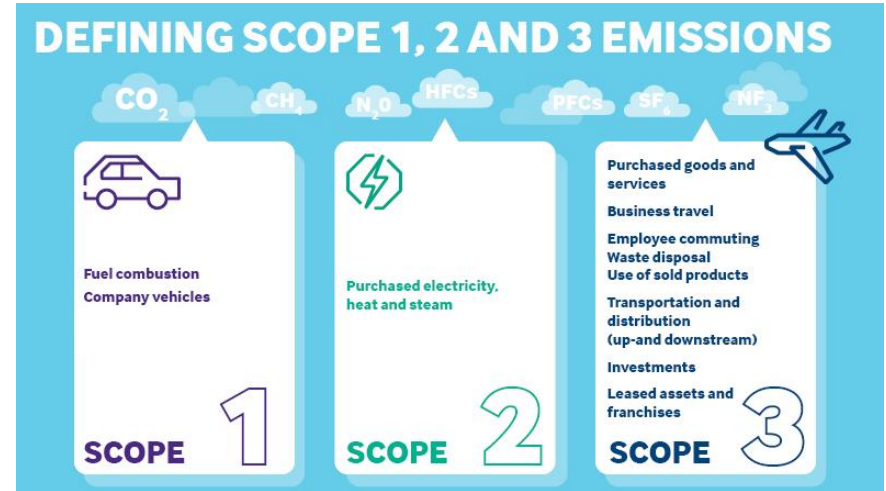
- ❑ **Explore leasing off-site parking:**
 - **Brewer Park (City of Ottawa)**
 - **Confederation Heights (Public Works and Government Services)**

Greenhouse Gases and Carbon Budget

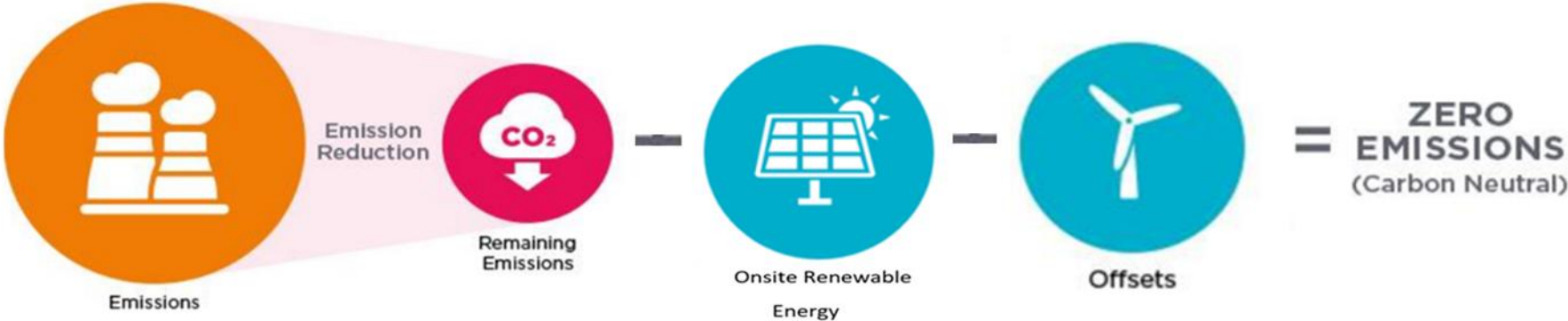
April 24, 2023

Greenhouse Gas (GHG) Emissions

- **Scope 1:** Direct GHG Emissions – from sources that are owned or controlled on site.
- **Scope 2:** Purchased electricity from electrical grid.
- **Scope 3:** Other indirect GHG emissions – extraction and production of purchased materials, transportation of fuels and the use of sold goods and services.

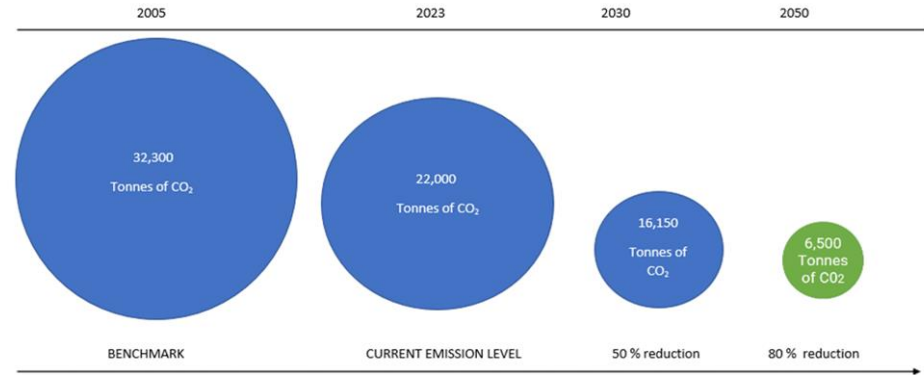


Getting to Net Zero



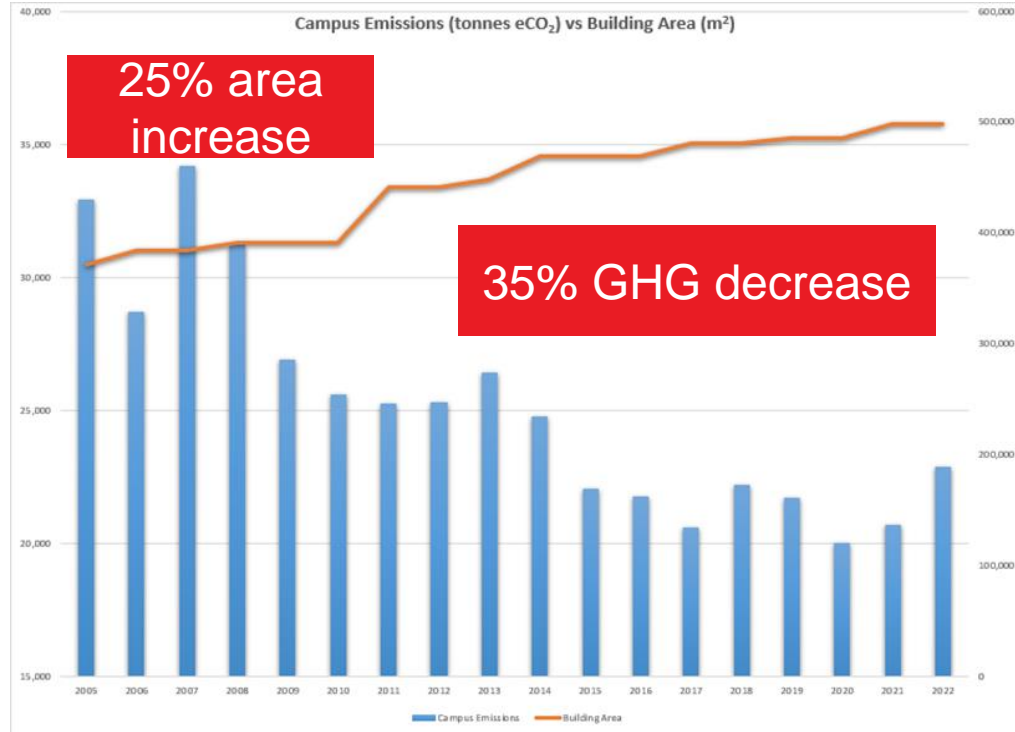
Carbon Budget

- Carbon Neutrality: No net greenhouse gas emissions. Achieved by eliminating GHG emissions, or by minimizing GHG emissions as much as possible and using carbon off-sets or renewable energy to mitigate the remaining emissions.
- Carleton sets a carbon budget for the amount that can be spent (emitted) annually.
- **Carleton's carbon emission goals of a 50% reduction by 2030 (from 2005 baseline) and carbon neutrality by 2050 includes Scope 1 and Scope 2 emissions only.**
- Need to reduce by more than 900 tonnes of carbon annually by 2030 to achieve goal.

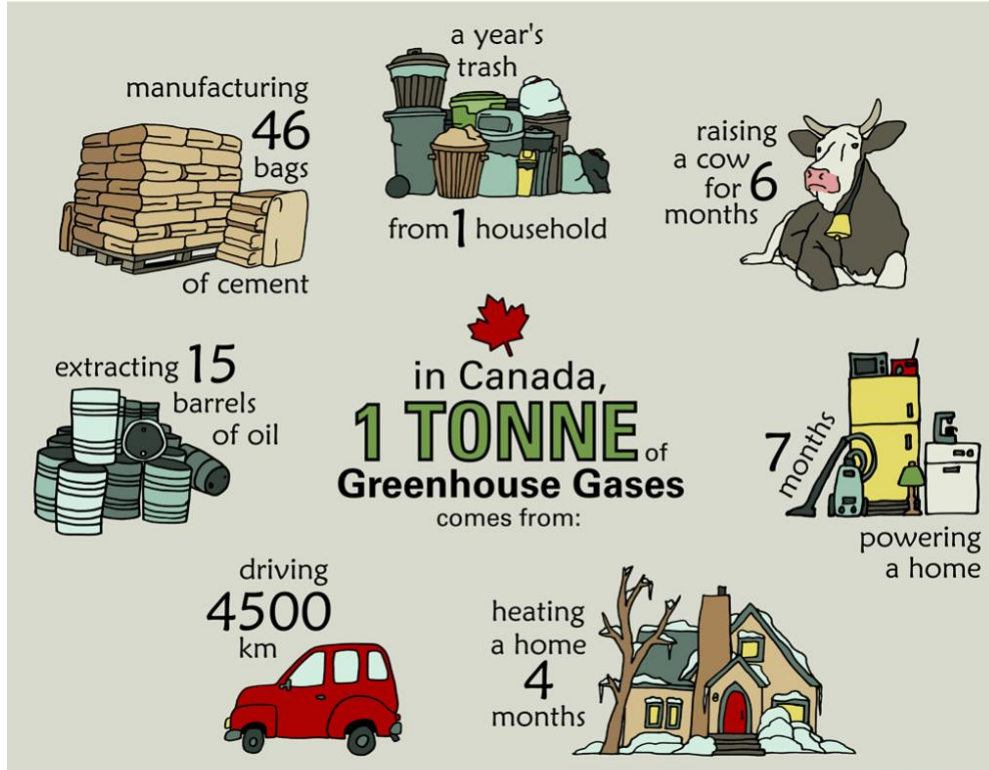


Greenhouse Gas (GHGs)

- Annual submissions of GHG emissions to Environment and Climate Change Canada and provincial Ministry of the Environment.
- Submission of annual emissions is audited by a third party for verification.
- Pay federal carbon tax as a result according to rate schedule.



What is One Tonne of GHG?



Carbon Pricing Timeline

- 2016-2018 Provincial Cap and Trade System
- 2018 Federal program – Output-based Pricing System (OBPS)
- 2022 – Present Provincial Emissions Performance Standard (EPS)
- The carbon price is set per tonne

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Carbon Price (per tonne)	\$ 20	\$ 30	\$ 40	\$ 50	\$ 65	\$ 80	\$ 95	\$ 110	\$ 125	\$ 140	\$ 155	\$ 170

Carbon Pricing – Emissions Performance Standard

- In 2022, as we shifted to the EPS Carleton was provided a credit for our carbon emissions based on the electricity generated by our own co-generation plant.
- This resulted in a significant decrease in our carbon tax obligation.

Comparison of Carbon Tax between programs		
	OBPS	EPS
2022-23	\$ 1,336,707	\$ 535,000
2023-24	\$ 1,927,886	\$ 569,000
2024-25	\$ 2,388,091	\$ 700,000
2025-26	\$ 2,854,219	\$ 832,000
2026-27	\$ 2,854,219	\$ 963,000

Carbon Commitments

- Net-Zero Challenge
 - Federal-based volunteer program, Environment and Climate Change Canada-led.
- Race to Zero for Universities & Colleges
 - EAUC (Environmental Association for Universities and Colleges) – the alliance for Sustainability Leadership in Education, Second Nature and UN Environment Program.
- Investing to Address Climate Change: A Charter for Canadian Universities.

Thank you!

To:	Board of Governors	Date of Report: 9 January 2023
From:	Building Program Committee	Date of Meeting: 24 April 2023
Subject:	Carleton University Energy Master Plan Update	
Responsible Portfolio:	Vice-President (Finance and Administration)	

1.0 PURPOSE

For Approval For Information For Discussion

2.0 MOTION

This report is for information only.

3.0 EXECUTIVE SUMMARY

Since the inception of the original Energy Master Plan in 2020, the world has changed and, in response, Carleton’s Energy Master Plan has also changed. The original goals of reducing our Scope 1 (direct) and Scope 2 (indirect) emissions by 50 per cent by 2030 and being carbon neutral by 2050 have not changed but the approach has. As such, the original plans have been re-evaluated and opportunities for carbon reduction using smaller localized projects and some larger district-wide projects have been identified. These projects range from converting natural gas water heating to utilizing air source heat pumps to providing large electric steam boilers within the central heating plant.

To fund these projects we are looking at reducing our peak electrical demand (and costs) using large battery storage systems via a zero capital, shared revenue minimal risk model that could generate up to \$8M in savings over an 11-year period. These savings could be used to fund carbon reduction projects and as seed funding for a green revolving fund.

Looking ahead, we need to keep working cross functionally with parties to reduce energy and carbon emissions. There are several projects on the horizon that could help us to achieve our carbon goals. Analysis of alternatives is continuing.

4.0 INPUT FROM OTHER SOURCES

This report was prepared by Facilities Management and Planning (FMP) staff.

5.0 ANALYSIS AND STRATEGIC ALIGNMENT

The Energy Master Plan update provides a broad outlook of where the university stands today on our carbon metrics and what is needed to achieve our carbon reduction goals in the coming years. This update aligns with outcomes identified in Carleton’s Strategic Integrated Plan (SIP) and the Campus Master Plan.

6.0 FINANCIAL IMPLICATIONS

There are no financial implications.

7.0 RISK, LEGAL AND COMPLIANCE ASSESSMENT

Carleton’s Strategic Integrated Plan (SIP) has identified sustainability as a core element and strategic objective. Failure to achieve sustainable goals as established by the university could create strategic and reputational risk. In addition, failure to reduce the institution’s carbon footprint will result in higher energy costs through carbon taxes and energy consumption costs. The risk is mitigated by implementing sustainability goals and measures while monitoring their progress.

8.0 REPUTATIONAL IMPLICATIONS AND COMMUNICATIONS STRATEGY

University Communications has supported communications on Carleton's sustainability progress and achievements to the campus community and external stakeholders, in collaboration with the Manager of Strategic Communications (Finance and Administration) and the Sustainability team.

9.0 OVERALL RISK MANAGEMENT ANALYSIS

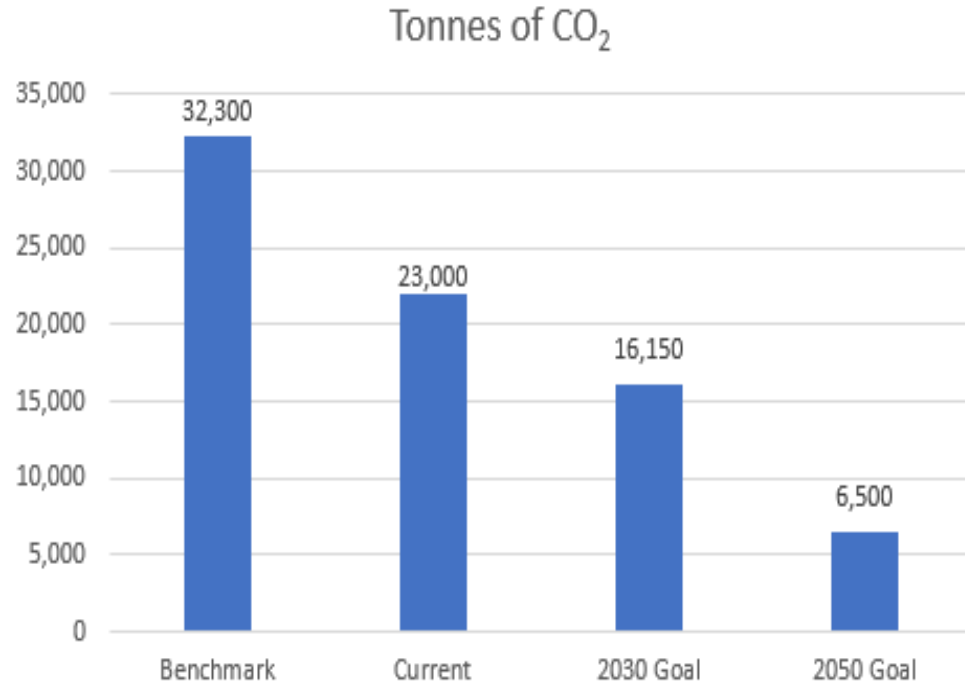
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LEGAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OPERATIONAL	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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FINANCIAL	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
REPUTATIONAL	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Energy Master Plan Update

April 24, 2023

Overview

- Since the inception of Carleton University's original Energy Master Plan in 2020, the world has changed and in response, our plans are evolving
- To date, we have made progress towards our goals and we are exploring opportunities for further carbon reduction.
- A full update of the Energy Master Plan is planned for 2025.



Timeline

2020

- Energy Master Plan recommends three new electric nodal plants to serve different areas of the campus in order to reduce carbon emissions by over 80 per cent.

2021

- Five per cent carbon savings compared to previous fiscal year, Co-gen plant operational, electric vehicle stations added, detailed studies of infrastructure completed to aid our energy transition.

2022

- Detailed analysis of electric nodal plant suggests payback exceeds expected life of equipment
- Decision to explore other options for meeting 2030 and 2050 carbon reduction goals.

Current Projects Underway

Project	Savings (kWh)	Demand (kW)	Incentives Earned	Savings (\$)
Lighting Upgrades	458,809	36	64,700	55,057
HVAC Upgrades	25,760	19	6,000	3,092
Total	484,569	55	70,700	47,438
			Total	105,587

- LED lighting upgrades
 - Carbon reduction - ~ 20 tonnes
- HVAC upgrades
- Building re-commissioning projects
- Building energy audits
- Solar studies for buildings and canopies over parking lots



Possible Approach to 2030 Target - Electric Boiler

- Most cost-efficient and least disruptive energy conservation measure to reduce carbon we have examined thus far
- One boiler can reduce 40 per cent emissions to achieve 2030 carbon goal.
- Reduces utility costs and yields a positive cash flow.
- Have the electrical infrastructure to support this boiler and room for additional buildings and expansion.
- More detailed analysis is being conducted.



Possible Revenue Model

- Ontario has complex electrical pricing. If we can reduce our peak demand, we can significantly reduce our costs. Battery storage can facilitate this change.
- Companies offer to supply, finance, operate and maintain these storage systems and share the revenue with Carleton. Zero capital with minimal risk model.
- Over an 11-year period Carleton could generate up to \$8M in savings as a result.
- These savings could be used to fund carbon reduction projects and placed in a green revolving fund where additional savings would fund further projects.



Looking Ahead to 2050

- Potential to incorporate solar into façade of Loeb building envelope project.
- Potential for large carbon savings from Paterson Hall renewal project.
- Continue to work cross-functionally with campus partners to reduce energy and carbon through projects of all sizes.
- Develop a Green Revolving Fund to support future projects.
- Review of further options for next Energy Master Plan in 2026.



2021-2022 Provincial Metric Ratios

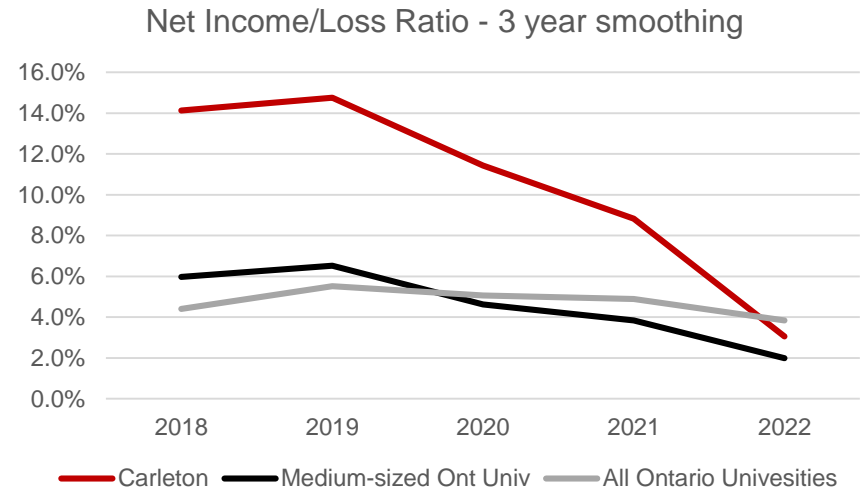
April 24, 2023

Net Income/Loss Ratio

Net income/loss as a percentage of total revenues. The objective of this ratio is to identify trends. Overly positive percentages could suggest resources are not being effectively deployed. A negative ratio may indicate a planned draw on net assets.

Carleton 2021-2022	Ontario Medium-sized 2021-2022	All Ontario 2021-2022
-2.7%	-0.6%	2.7%

Positive percentage is desirable

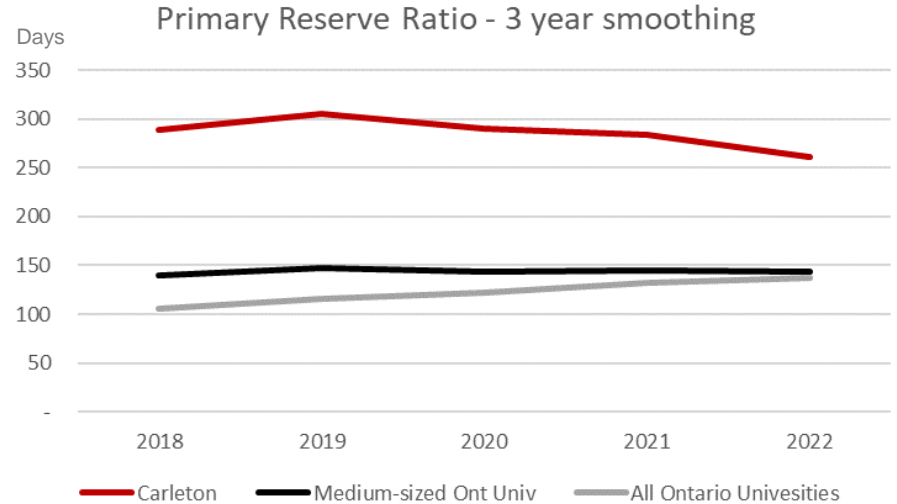


Primary Reserve Ratio (Days)

Expendable net assets (i.e. reserves and unrestricted endowment funds) divided by total expenditures. Number of days the university could operate without receiving any revenue.

Carleton 2021-2022	Ontario Medium-sized 2021-2022	All Ontario 2021-2022
244	146	141

Higher number indicates greater reserves



Viability Ratio

Expendable net assets (i.e. reserves and unrestricted endowment funds) divided by total long-term debt. This ratio represents funds on hand to settle long-term obligations.

Carleton 2021-2022	Ontario Medium-sized 2021-2022	All Ontario 2021-2022
169.3%	109.2%	127.4%

A higher percentage is desirable

Interest Burden Ratio

Interest payments on debt as a percentage of total expenses (adjusted for depreciation). Indicates the affordability of one's debt.

Carleton 2021-2022	Ontario Medium-sized 2021-2022	All Ontario 2021-2022
0.4%	2.0%	2.0%

A lower percentage is desirable

Net Operating Revenues Ratio

The cash flows from operations divided by total revenue. Indicates an institution's ability to generate a positive cash flow.

Carleton 2021-2022	Ontario Medium-sized 2021-2022	All Ontario 2021-2022
8.9%	5.86%	12.0%

A positive percentage is desirable

To:	Board of Governors	Date of Report: 8 March 2023
From:	Finance Committee	Date of Meeting: 24 April 2023
Subject:	Investment Report for the Endowment	
Responsible Portfolio:	Vice-President (Finance and Administration)	

1.0 PURPOSE

For Approval For Information For Discussion

2.0 MOTION

This report is for information only.

3.0 EXECUTIVE SUMMARY

This investment report assists the Finance Committee of the Board in its oversight of the university's Endowment Fund (the Fund). The report focuses on the investment returns of the Fund and provides information about the Fund's asset mix and outside investment counsel. This report focuses on performance of the Fund for periods ending Dec. 31, 2022.

The objective of the Fund is to achieve returns that will allow annual distributions of 4% on a moving four-year average of the market value of the Fund and a 1% administrative levy, while preserving the real value of the Fund in perpetuity. Results for this period show that this objective was met. The four-year annualized return for the period was 8.2%, after accounting for the 4% annual distribution, 1% administrative levy, and inflation the real value was maintained.

Carleton University Combined Endowment

Performance for periods ending Dec. 31, 2022

Market Value \$350.8 million (\$363.0 million 2021, \$328.9 million 2020).

	<u>1Q</u>	<u>1 year</u>	<u>2 years</u>	<u>4 years</u>	<u>7 years</u>
Total Combined Endowment (%)	5.8	-7.3	1.9	8.2	7.5
<i>Benchmark¹</i>	5.0	-6.6	3.8	8.4	6.7
Value added	0.8	-0.7	-1.9	-0.2	0.8

Note: Performance numbers are gross of fees.

¹ Benchmarks are outlined in the Statement of Investment Policies and Procedures

In the fiscal year, the annual distribution from the Endowment fund was \$13.6 million, providing \$3.8 million for scholarships and awards, \$3.9 million in bursaries, and \$5.9 million in support of other academic and student service initiatives that would otherwise be funded from operations.

4.0 INPUT FROM OTHER SOURCES

BNY Mellon is the independent performance measurement provider for the Fund. Information from their reports for the period ending Dec. 31, 2022 were used in preparing this investment report.

5.0 ANALYSIS AND STRATEGIC ALIGNMENT

The Carleton University Endowment Fund is comprised of three funds – the General Endowment and two smaller, single-manager funds - the Sprott Bursary and the Jarislowsky Chair in Water and Global Health.

The Student Investment Fund, run by students in the Sprott School of Business, also manages a small portfolio. Most donations to the university are invested in the General Endowment, which holds 94% of the combined assets. The General Endowment is invested in a diversified portfolio of Canadian and non-Canadian equities, Canadian fixed income, and global infrastructure funds. The Endowment is strategically important for Carleton as the annual distribution provides funds for student support and other university initiatives.

Two climate investment milestones were completed in alignment with the Responsible Investing (RI) Policy that was approved by the Board in March 2022. The Investment Committee approved PH&N as the Endowment’s fossil fuel free global equity manager and the fund was seeded with \$1 million. The fund is now open to donors who wish to commit to a fossil fuel free option within the Endowment.

The Investment Committee also approved a 2030 carbon reduction target 50% for the listed equity holdings of the Endowment. This is aligned with global climate goals to reach net-zero greenhouse gas emissions by 2050 and is consistent with the university’s investment responsibility and sustainability commitments.

6.0 FINANCIAL IMPLICATIONS

The performance of the Endowment Fund has an impact on the university’s operating budget, most significantly in generating funds for student financial assistance. Annual distributions are made from the Fund at a rate of 4% on a four-year moving average of the market value of the Fund. A key objective of the Fund’s investment policy is to meet this expenditure rate and to preserve the real value of the Endowment capital in perpetuity.

7.0 RISK, LEGAL AND COMPLIANCE ASSESSMENT

This report assists the Finance Committee of the Board in its oversight of the Investment Committee for the Fund.

Major risks posed by the Endowment Fund relate to the failure of the Fund to generate enough revenue to meet required financial commitments, the risk of the Fund not being managed in accordance with the investment policy for the Fund, and the reputational risk if the first two risks are not appropriately managed.

The Investment Committee manages the Fund in accordance with the Statement of Investment Policies and Procedures developed for the Endowment Fund. The Investment Committee’s terms of reference require periodic reporting to the Finance Committee of the Board of Governors. The Investment Committee is comprised of the Vice-President (Finance and Administration) the Associate Vice-President (Finance), the Executive Director (Pension Fund Management), Dean (recommended by the President), a member of the Board of Governors, and two or more external members who have expertise in the area of investments.

Financial risk largely rests with the possibility of capital market performance that results in negative performance of the portfolio. This risk is mitigated by diversifying the portfolio and requiring quality constraints on individual securities. In addition, the use of a four-year average for calculating distributions from the Fund smooths peaks and troughs of investment returns and, thereby, of the annual distributions from the Fund.

8.0 REPUTATIONAL IMPLICATIONS AND COMMUNICATIONS STRATEGY

There is no reputational implication that requires a communications strategy.

9.0 OVERALL RISK MANAGEMENT ANALYSIS

	VERY LOW	LOW	MEDIUM	HIGH	VERY HIGH
STRATEGIC	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LEGAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OPERATIONAL	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TECHNOLOGICAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FINANCIAL	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
REPUTATIONAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Investment Report for the Endowment

April 12, 2023

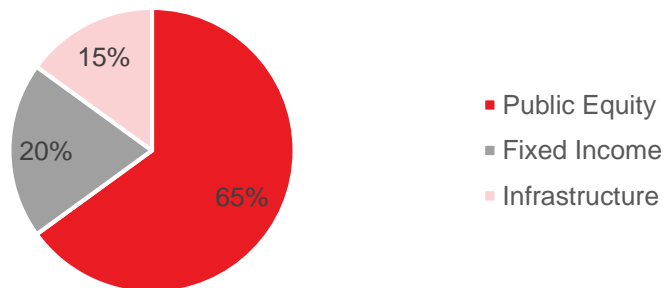
Governance of the Endowment

- The Endowment is overseen by an Investment Committee made up of the following participants:
 - Vice-President (Finance and Administration) – Chair, ex officio
 - Associate Vice-President (Financial Services) – ex officio
 - Executive Director (Pension Fund Management) – ex officio
 - A Governor appointed by the Board of Governors
 - A Dean appointed by the Finance Committee on the President's recommendation
 - Two or more external members
- The Investment Committee reports to the Finance Committee semi-annually.
- The Terms of Reference guide the Investment Committee's roles and responsibilities, the Statement of Investment Policies and Procedures (SIP&P) codifies the investment guidelines and the Responsible Investment policy guides ESG initiatives.

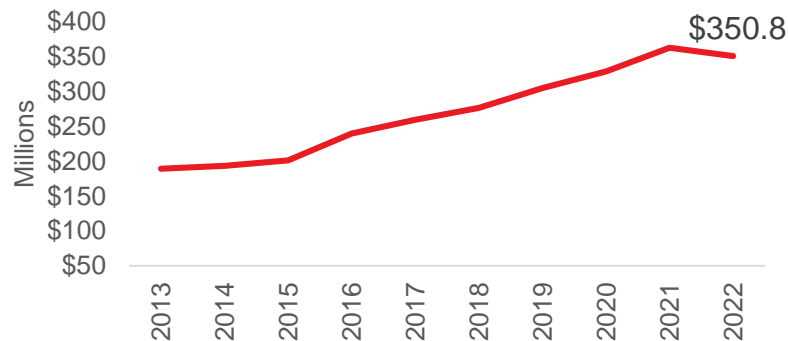
Combined Endowment Performance

As of Dec. 31, 2022	1Q	1 Year	2 Year	4 Year	7 Year
Total Return (gross)	5.8%	-7.3%	1.9%	8.2%	7.5%
Benchmark	5.0%	-6.6%	3.8%	8.4%	6.7%
Value-Add	0.8%	-0.7%	-1.9%	-0.2%	0.8%

SIP&P Target Asset Mix – General Endowment



Net Asset Value

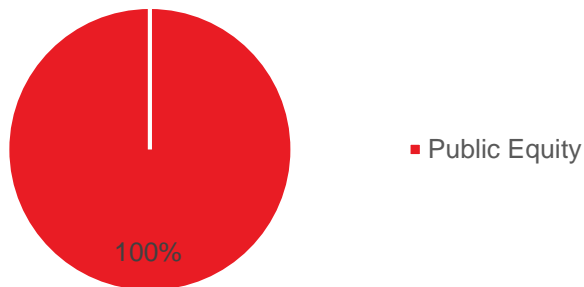


Sprott Student Investment Fund

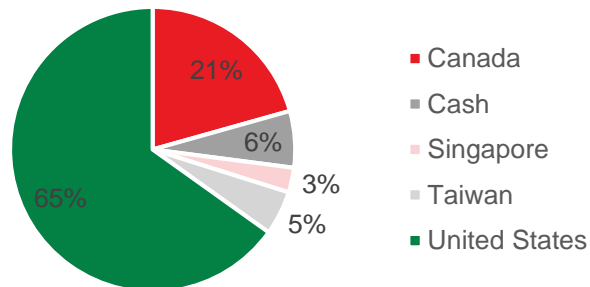
As of Dec 31, 2022	1Q	1 Year	2 Year	4 Year	8 Year
Total Return (gross)	2.6%	-7.0%	8.0%	18.7%	12.8%
Benchmark	3.9%	-10.6%	7.1%	12.9%	10.5%
Value Add	-1.3%	3.6%	0.9%	5.8%	2.3%

\$1.8M net asset value

Portfolio Asset Mix



Portfolio Allocation by Country



Responsible Investing

- As per the Responsible Investing Policy of the Endowment, the following three objectives were completed in the past six months:
 - The Investment Committee approved PH&N as the Endowment's fossil fuel free global equity mandate. The initial investment was seeded with \$1 million and the fund is now open to new donor contributions.
 - A carbon footprint was completed on the listed equities of the Endowment.
 - A 2030 carbon reduction target of 50% for listed equities was established.
- This reduction target is aligned with global climate goals and the achievement of net-zero greenhouse gas emissions by 2050 and is consistent with the university's investment responsibility and sustainability commitments.

Report to Advancement & University Relations Committee

University Advancement

April 24, 2023

Strategic Approach

In alignment with the vision to build **Partnerships with Purpose** in the Strategic Integrated Plan, Advancement champions a competitive, progressive “purpose-based” model for fundraising.

Guided by Carleton’s founding mandate, this model invites donors to give not just *to* Carleton but *through* Carleton—investing in higher education as a means to address societal challenges.

Our team believes in true collaboration, with each other and with our partners. We strive for new ideas, mutually beneficial approaches, and positive, lasting change for our sector, our society and Carleton.

Purpose-based fundraising: Giving through, not to



Health and
wellness



A new, inclusive
economy



Sustainability



Our social fabric

Pathways:

Education
Research
Community Action

Fundraising Goals 2022-23

- **Revenue:**
 - Maintain 3 year rolling average of \$40M.
 - Launch Phase 4 Holistic Integrated Partnership.
- **Relationships:**
 - Continue positive momentum of new industry-leading “purpose-based” community engagement model centered around Hub for Good.
 - Continue international relations momentum of connecting and engaging with alumni and donors (particularly Hong Kong).
- **Resilience:**
 - Donor and talent retention via thought leadership, creation of best practices and “first and only programs” for the sector.
 - Diversification and innovation to strengthen the nonprofit sector and Canadian society via philanthropy.

Revenue highlights

Total revenue (as of March 29, 2023): \$37,905,816

Philanthropic: \$8,022,939

Gifts in Kind: \$5,380,294

Sponsorships: \$1,558,510

Research & Partnerships: \$22,944,073

Revenue since campaign:

2019-20: \$31,202,511

2020-21: \$41,985,532

2021-22: \$42,926,044

2022-23: \$37,905,816

-
- ✓ Major and transformational donations in support of students, accessibility, research and sustainability including: \$1M from Dr. Carl McMillan to fully fund the McMillan Chair in Russian Studies (October 2022).
 - ✓ More than \$2.6M secured in expected bequests; \$4.2M in annual giving revenue.
 - ✓ Established 27 new financial awards for Equity, Diversity and Inclusion.
 - ✓ Expansion and stewardship of 6 Holistic Integrated Partnerships.
 - ✓ Raised \$1.2M on Giving Tuesday.

Relationship highlights:

- ✓ 63% donor retention rate (industry average 55%).
- ✓ 135,000 verified records (full compliance with CASL, FIPPA).
- ✓ Purposefully engaged 5,700 constituents in-person and virtually to showcase Carleton's partners and purpose.
- ✓ Continuing partnership with new Centre for Community Engagement to develop the Carleton "front door" for community partners.
- ✓ Renewed our on-campus partnerships both within and without Advancement and deepened our relationships with alumni, faculty, staff, retirees, parents, students etc.
- ✓ Targeted engagement program to activate strategic partnerships in Hong Kong (travel in spring 2023).

Resilience highlights:

- ✓ Strategies to renew the culture of philanthropy on campus with Deans & Academic partners employed.
- ✓ Flexible Work Plan implementation and milestones successfully rolled out. Ongoing surveying, feedback and communications continuing. Advancement's FWP part of an external prosci-certified change management process.
- ✓ Retention and recruitment strategies in place to maintain our culture of collaboration while addressing the competitive local environment for advancement professionals (strategic plan for community, cause, career).
- ✓ Draft campaign work back schedule and timetable developed for implementation.
- ✓ Staff training in support of the EDI action plan (EIC, Recast Philanthropy) to create a more equitable and inclusive workplace, sense of belonging.
- ✓ Developed training programs to advance purpose-based communications framework within Advancement.
- ✓ Building a new engagement model to better leverage faculty-based and campus wide activity.
- ✓ Established a new Donor Impact team as best practice (focusing on accountability and fulfillment of donor intent).



Team Here
for Good:
Building
Partnerships
With Purpose



CHALLENGE

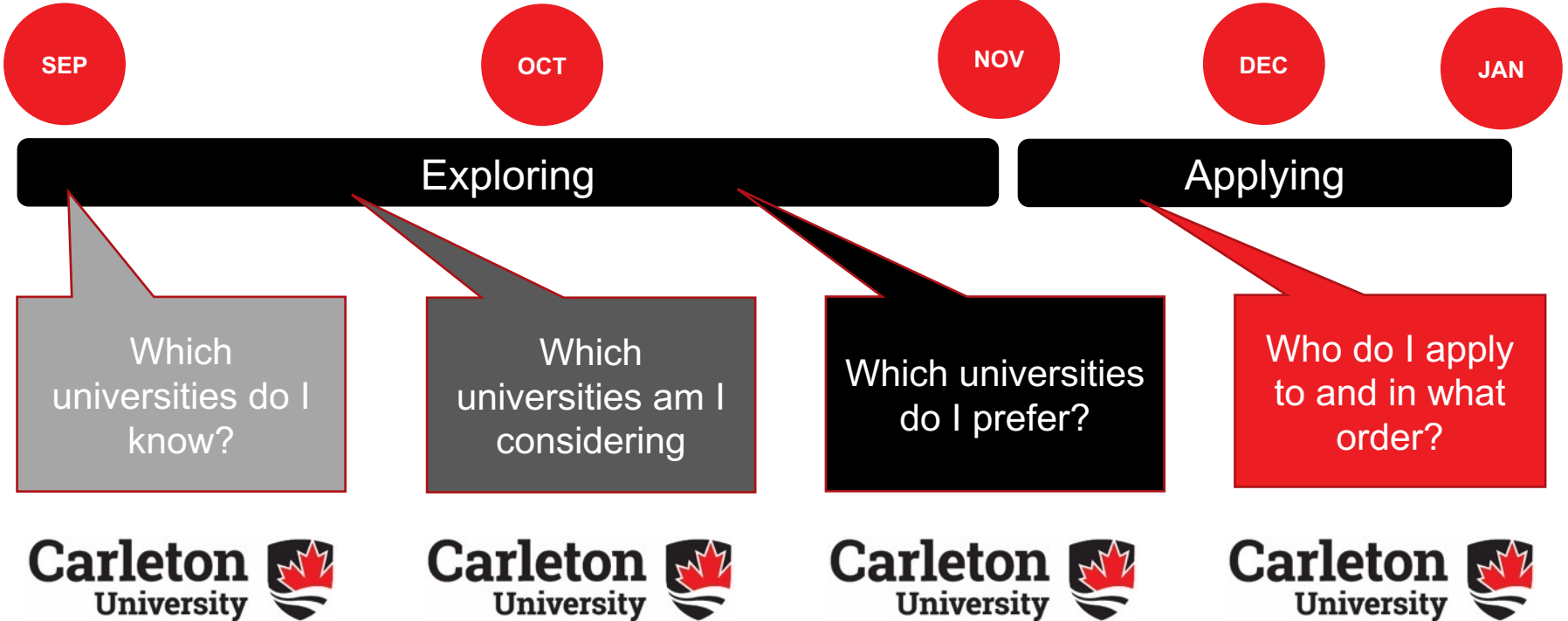
WHAT'S POSSIBLE

Student Recruitment Campaign Phase 2

- **Prospective Undergrad Student Campaign**
 - Multiplatform approach
 - NEW: Full Cycle Integration

**Goal: Create awareness, build preference,
drive conversion (applications)**

Student Journey Alignment



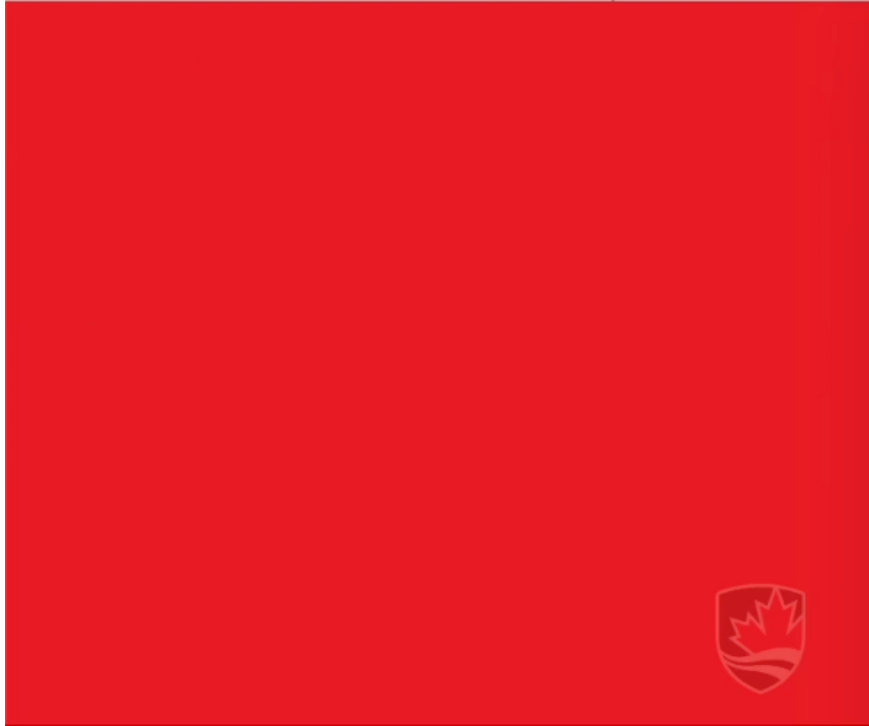


CHALLENGE
what's possible

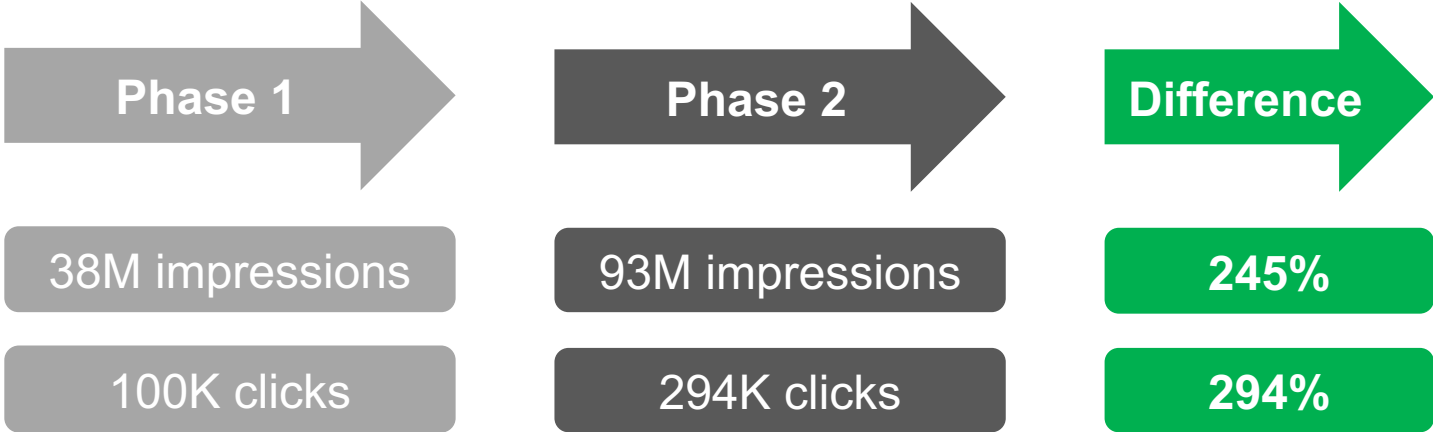


Carleton
University





Prospective Undergraduate Campaign Phase 1 vs Phase 2



1st & 2nd Choice Applications: 2022 vs 2023

+3.5%



+2.8%



-12%



-2%



-8%



-3%



Date: May 10, 2023

CARLETON
CHALLENGE
CONFERENCE

Speakers/Panelists



Janice Charette
Clerk of the Privy
Council and
Secretary to the
Cabinet of the
Government of
Canada



Clara Hughes
6-time Olympic
Medalist,
Mental Health
Advocate



Kim Corace
VP,
Innovation &
Transformation
at the Royal



Mary Bartram
Director of Policy,
Mental Health
Commission of
Canada



**Brenda
Restoule**
CEO, First
Peoples
Wellness Circle



**Adrian
Harewood**
Professor,
Former CBC
News Anchor



Clara Hughes,
Six-time Olympic Medalist, Mental Health Advocate


Addressing the Global Mental Health Crisis
Carleton Challenge Conference | May 10, 2023

[Learn More](#)



DAILY PODCAST

What we're missing about the Trump indictment



TSX ▼ 20,275.76 -2.52 (-0.01%) 17:24, APR 4	S&P 500 ▼ 4,100.60 -23.91 (-0.58%) 17:24, APR 4	DOW ▼ 33,402.38 -198.77 (-0.59%) 17:24, APR 4	NASDAQ ▼ 12,126.33 -63.12 (-0.52%) 17:15, APR 4	OIL ▲ 80.73 0.02 (0.02%) 7:52, APR 5	DOLLAR ▼ 0.743 -0.00 (-0.14%) 7:52, APR 5	BITCOIN ▲ 28,735.00 360.00 (1.27%) 7:48, APR 5
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TRUMP INDICTMENT

Donald Trump pleads not guilty to 34 criminal charges of falsifying business records

Mr. Trump faces charges related to hush money paid to a porn star, becoming the first former U.S. president to be criminally indicted



HEALTH CARE

Ontario regulator eases restrictions for some foreign-trained doctors to work in Canada

The College of Physicians and Surgeons of Ontario says it will allow doctors trained and certified in the U.S. to skip exams and begin working immediately

B.C. to adopt minimum nurse-to-patient ratios



Addressing the Global Mental Health Crisis

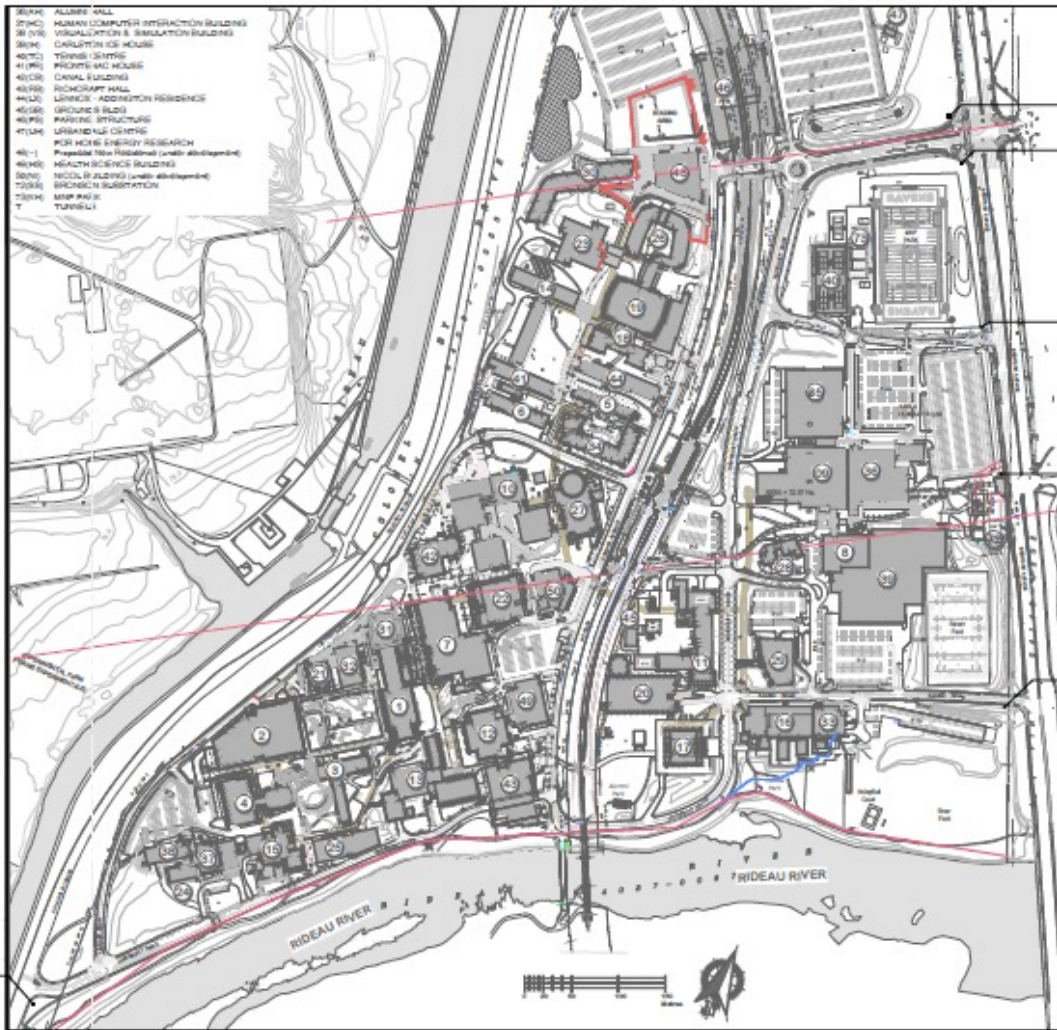
Carleton Challenge Conference
May 10, 2023

[Learn More](#)

Carleton University

Carleton Gateway Signage





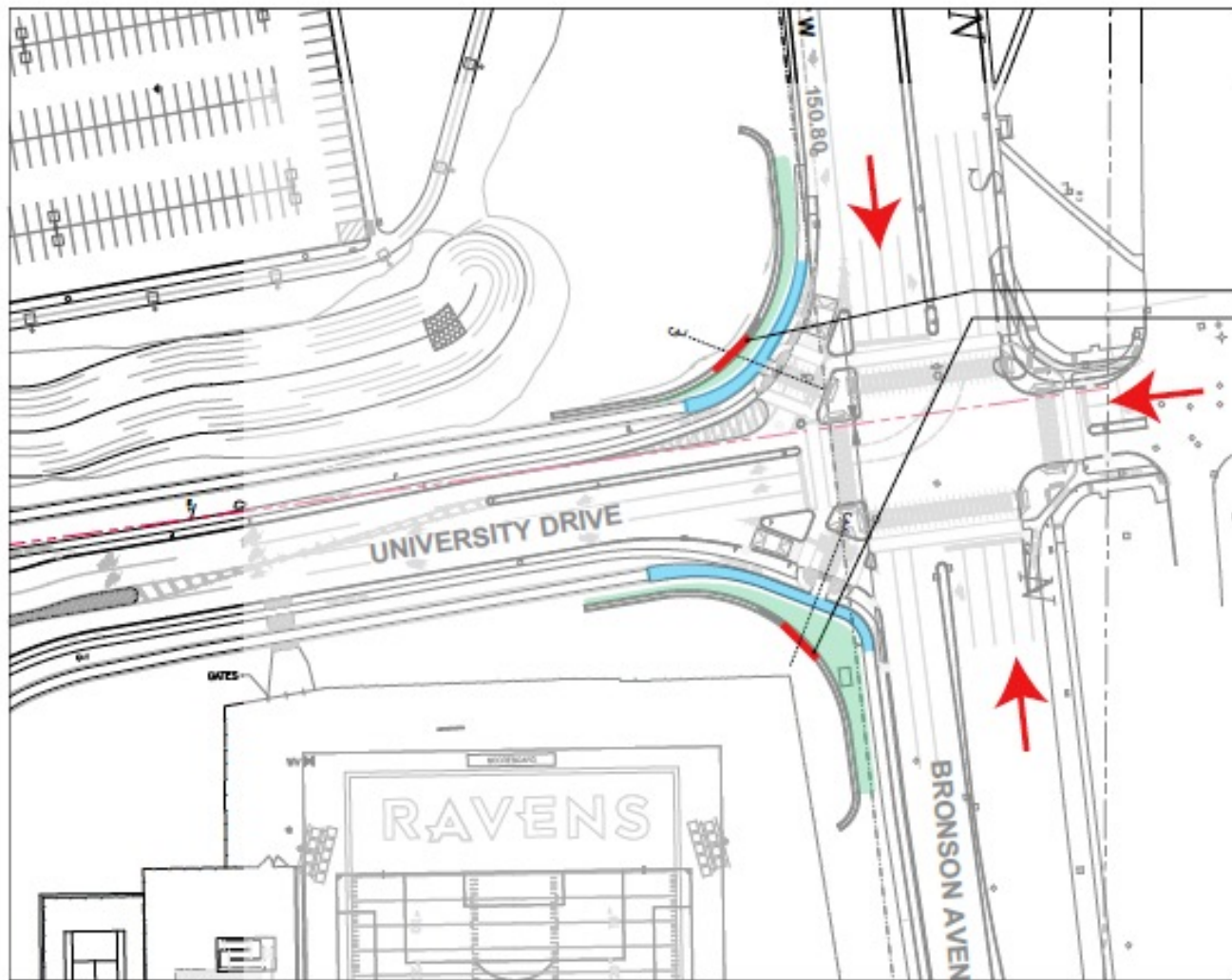
University Dr.

Stadium Way

Raven Rd.

Brewer Park

Colonel By Dr.



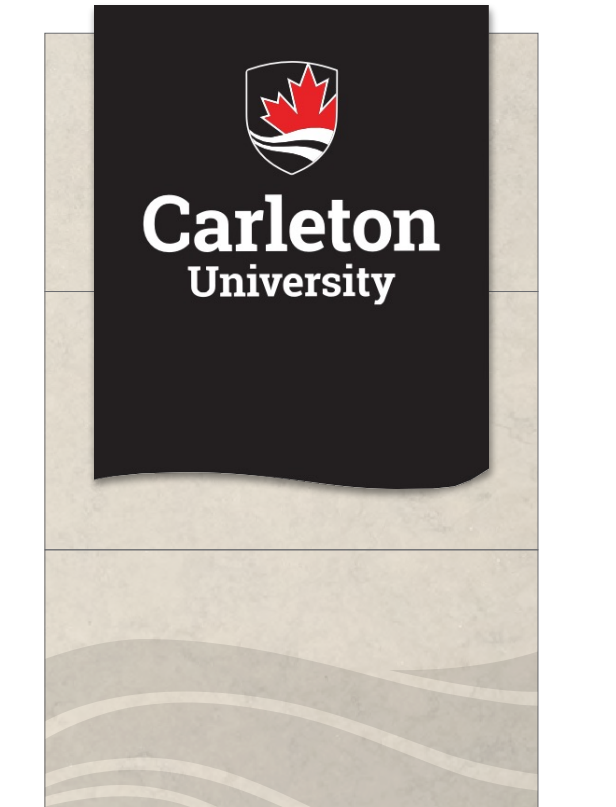
North Side

South Side



• University Dr./Bronson Entrance

Secondary Entrance Signs



Project Timeline

Description	Date
Design/Schematics	Done
Engage Prime Consultant-Structural Engineer (c/w RFP/Funding Approval)	Jun 2023
Geotechnical/Topographical Surveys	Aug 2023
Construction IFT Release	Jan 2024
Bronson Signage Completion	Aug 2024
Secondary Signs	TBD

Questions/Discussion

Government Relations Update

Alastair Mullin

Director, Government Relations

April, 2023

Strategic Government Relations Plan

We are remaining focused on three objectives:

- Bringing government to campus and the campus to government
- Speak with a clear and distinct Carleton voice
- Innovation and distinction



Continued focus this year

- Focus on the renewal at the municipal level, policy changes at the provincial level and potential election at the federal level
- Continue to advance key files such as the Wellness Hub



Advancing Government Relations at Carleton



Municipal

- Engaged with new mayor and council
- Renewed focus on collaboration in aquatics

Provincial

- Responding to the Blue Ribbon Panel (BRP)
- COU working groups on SMAs and BRP

Federal

- Successfully positioning to utilize the new reality of collaborative governing
- Started engagement with our new DMUC

Thank you!



Carleton University acknowledges and respects the Algonquin people, traditional custodian of the land on which the Carleton University campus is situated.

**Carleton University Senate
Meeting of February 24, 2023 at 2:00 pm
Room 3020 Nicol Building + Zoom videoconference**

OPEN SESSION

Minutes

Present in Person: B.A. Bacon (Chair), M. Barbeau, S. Blanchard, A. Bordeleau, B. Campbell, M. DeRosa, D. Deugo, L. Dyke, S. Everts, R. Goubran, T. Haats, M. Haines, D. Howe, M. Ilyas, L. Kostiuk, C. Laurendeau, D. Livingston, L. Moffitt, K. Moss, A. North, B. O'Neill, A. Park, P. Rankin, D. Russell, F. Sepanta, D. Siddiqi, E. Sloan (Clerk), C. Smelser, P. Smith, D. Sprague, J. Tomberlin,

Present via Zoom: J. Armstrong, H. Becker, V. Bhatia, S. Burges, D. Caratao, W. Chung, A. Clarke, E. Cyr, R. Gorelick, A. Lettieri, B. MacLeod, J. Malloy, L. Marshall, P. Mkandawire, J. Murray, B. O'Connor, H. U. Ozcan, M. Pearson, M. Qalinle, J. Ramnarine, M. Rooney, S. Sadaf, K. Taylor, C. Viau, J. Wallace, P. Wolff

Regrets: M. Baez, F. Brouard, D. Brown, L. Hayes, K. Hellemans, J. Kovalio, M. Lundy, M. Murphy, H. Nemiroff, T. Roberts, M. Sanghani, G. Sestini, J. Taber, R. Teather

Absent: K. Al Hammuri, J. Dawson, K. Graham, A. Lannon

Recording Secretary: K. McKinley

1. Welcome

The meeting was called to order at 2:02 pm. As part of the opening Land Acknowledgement, the Chair reported on the recent renaming of the University Centre to *Nideyinàn*, which means "our heart" in Algonquin. The name was chosen following a thorough consultation process with the Algonquin Advisory Council and communities in the region, and in response to a Call to Action within *Kinàmàgawin*, Carleton's Indigenous Strategy.

The Chair also noted that February 24 marks the one-year anniversary of the invasion of Ukraine by Russian forces. He expressed sympathies to all those connected with that region of the world as the war continues.

The Chair also provided a warm welcome to new Senators Sarah Everts, Amanda Clarke, and Mahamad Qalinle.

It was **MOVED** (S. Blanchard, D. Deugo) that Senate move into the Closed Session of the meeting.

The motion **PASSED**.

(Closed Session minutes have been recorded in a separate file.)

Prior to the beginning of the Open Session, Senators became aware of a group representing the CUPE 4600 union making their presence known outside of the Senate room. The Chair invited a representative into the meeting to address Senators briefly, after which the meeting resumed.

Approval of Open Agenda

It was **MOVED** (D. Deugo, D. Siddiqi) that Senate approve the open agenda for the meeting of Senate on February 24, 2023, as presented.

The motion **PASSED**.

2. Minutes: January 27, 2023

It was **MOVED** (B. O'Neill, M. Pearson) that Senate approve the minutes of the open session of the Senate meeting on January 27, 2023 as presented.

The motion **PASSED**.

3. Matters Arising

There were none.

4. Chair's Remarks

The Chair began by noting the recent passing of Landon Pearson and David C. Onley, two well-known members of Carleton's community. Former Senator Landon Pearson was a tireless advocate for children's rights, and launched the Landon Pearson Resource Centre for the Study of Childhood and Children's Rights at Carleton in 2006. David C. Onley was a disability rights advocate, and a

recipient of an honorary degree from Carleton. He was also the patron of Carleton's Accessibility Institute (formerly: READ Initiative). The Chair expressed condolences to all who knew and loved them.

The Chair noted that Carleton continues to celebrate Black History Month with a number of events and communications. He provided a few highlights from this month-long celebration:

- On February 9 the Carleton-led *Black Entrepreneurship Knowledge Hub* hosted a round-table discussion on campus. Leaders from across Canada attended, including Minister of International Trade Mary Ng, MP Greg Fergus and MP Arielle Kayabaga. Since its launch in 2021, the *Black Entrepreneurship Knowledge Hub* has helped more than 5,000 Black business owners and entrepreneurs receive mentorship, business training and financing to help their businesses grow and succeed.
- On February 17, new space for the Institute for African Studies was opened on the 17th floor of Dunton Tower. Embassies of several African countries sent representatives to attend this important event.
- On February 28, Carleton will officially rename the Residence Commons to *Terangaa Commons*, to honour Black communities, cultures and achievements. *Terangaa* is a Senegalese Word that emphasizes generosity in all encounters, even with strangers, to foster a safe and welcoming culture.

On February 10, Carleton launched its *Future Learning Lab* on the 4th floor of the MacOdrum Library. The new space will include 800 new study seats plus virtual reality and immersive environment learning tools to further enhance student engagement.

On February 23, Carleton held its annual Service Excellence Awards to celebrate outstanding contributions of faculty and staff. The Chair congratulated this year's award recipients and thanked all who attended.

The Chair reported that Carleton has been recognized as a Top Employer in the National Capital Region and a Top Family-Friendly Employer, in addition to its previously recognized achievement as one of the Top 100 Employers in Canada.

Finally, the Chair noted that the search for the new Provost and VP Academic has been launched. Senators were invited to participate in the consultation process via an online survey.

5. Question Period

Two questions were submitted in advance.

a) Question from Dakota Livingston (CASG President)

At the January meeting of the Carleton Academic Student Government, a representative from the Communications Department raised an important issue with the academic calendar. Whereas religious holidays and obligations such as Ramadan are covered within the academic accommodation of Carleton's Human Rights Policy, there exists no similar **accommodations for Remembrance Day in November or Truth and Reconciliation Day** in September even though these are considered federal holidays and many provinces formally observe these days too. As many students face intense emotional reactions on these days, we would like to know if any accommodations for flexible due dates could be made?

Response from VP Students & Enrolment Suzanne Blanchard: Accommodations are possible on a case-by-case basis for students who may be experiencing intense emotional reactions to these events based on their personal circumstances. Students may contact their Instructor directly and/or explore other resources via the Equity and Inclusive Communities department and Ombuds Services. In response to a follow-up question, VP Blanchard noted that there may be too many variables to be able to devise a form, but the RO will explore that option. She noted as well that this would not normally fall under the purview of the Paul Menton Centre.

A Senator asked if Carleton is prepared to recognize September 30 as a Day of Remembrance with a pause on university activities. The Registrar noted that this will be considered for 2024, but will not be an issue in 2023 as September 30th falls on a Saturday.

b) Question from Farzam Sepanta:

I have a question regarding **the training of TAs**. Some TAs have to teach in the classroom. Teachings can vary from solving examples to actually covering topics. Aside from the general mandatory training that ensures TAs are informed

about their duties and responsibilities, what other training or assessment is in place to make sure they use efficient teaching methods to convey knowledge? To give it a little bit more context, I have heard different experiences from students (especially undergrads) and even professors that their TAs were not capable of teaching efficiently in classrooms. In many private institutions, teaching training courses (TTC) are mandatory before allowing an individual to teach.

Response from Provost Jerry Tomberlin: Many training opportunities are available for T.A.s via Teaching & Learning Services. All T.A.s must participate in mandatory courses including TA Basics, Brightspace training, Mental Health Support training, and so on. T.A.s should begin with the training offered via Teaching & Learning Services, then explore additional opportunities via departments and FGPA, which are open to T.A.s and/or their supervisors. Training can be delivered synchronously or asynchronously.

In response to a follow-up question, it was noted that mandatory training and active assessment of T.A.s are working conditions covered by the collective agreement, and would be inappropriate for Senate discussion.

6. Administration

a. Notice of Senate Committee Renewal Process

The Clerk outlined the procedure for the upcoming Senate committee renewal process which will begin on March 1st with an open Call for Nominations. Senators were encouraged to apply to any committees that interest them via the online form on the Senate website. The term of service is 3 years and begins July 1, 2023. The application deadline is March 31.

b. Senate-elected Membership – Provost Advisory Committee

The Clerk reminded Senators that the Board of Governors had asked Senate to assist in electing faculty members, students and a librarian to serve on this committee. The Senate Office circulated an open Call for Nominations from January 4 to 23. An election was held for contested positions on January 31st and the results have been posted on the Senate website. The list of Senate-elected members to this committee was circulated to Senators in advance via the meeting binder.

7. Reports

a. Senate Committee on Curriculum, Admissions and Studies Policy (SCCASP)

Committee Chair Howard Nemiroff was not in attendance. Vice-Provost Dwight Deugo reported that there was one item for information (minor modifications) and no motion for Senate.

b. Senate Quality Assurance and Planning Committee (SQAPC)

Committee Chair Dwight Deugo noted that Carleton University is due for its Quality Assurance audit, which will begin on March 6, 2023. He then presented 2 cyclical reviews, and 12 major modifications for approval. The major modifications were combined into an omnibus motion.

Cyclical Reviews

It was **MOVED** (D. Deugo, A. Bordeleau) that Senate approve the Final Assessment Reports and Executive Summaries arising from the Cyclical Reviews of the Undergraduate and Graduate programs in Architecture. The motion **PASSED**.

It was **MOVED** (D. Deugo, P. Smith) that Senate approve the Final Assessment Reports and Executive Summaries arising from the Cyclical Reviews of the joint Graduate programs in Mathematics and Statistics. The motion **PASSED**.

OMNIBUS MOTION – Major Modifications

It was **MOVED** (D. Deugo, D. Siddiqi) that Senate approve the major modifications as presented. The motion **PASSED**.

Individual Motions within the Omnibus:

- MOTION: That Senate approve the introduction of the Stream in Supply Chain Management as presented with effect from Fall 2023.
- MOTION: That Senate approve the major modification to the Graduate Diploma in Linguistics and the deletion of LING 5907 as presented with effect from Fall 2023.

- MOTION: That Senate approve the introduction of the Collaborative Specialization in Latin American and Caribbean Studies to the MA in Legal Studies as presented with effect from Fall 2023.
- MOTION: That Senate approve the major modification to the Bachelor of Architectural Studies, Design major as presented with effect from Fall 2023.
- MOTION: That Senate approve the introduction of the concentrations in Canadian Politics and Public Policy International Relations and World Politics; and Power and Political Ideas to the undergraduate programs in Political Science as presented with effect from Fall 2023.
- MOTION: That Senate approve the introduction of ANTH 3950 and the deletion of ANTH 400 as presented with effect from Fall 2023.
- MOTION: That Senate approve the deletion of SYSC, 4917, 4927 and 4937 as presented with effect from Fall 2023.
- MOTION: That Senate approve the introduction of INAF 6700 and the deletion of INAF 6800 as presented with effect from Fall 2023.
- MOTION: That Senate approve the introduction of the Collaborative Specialization in African Studies to the PhD in International Affairs as presented with effect from Fall 2023.
- MOTION: That Senate approve the introduction of the Collaborative Specialization in African Studies to the PhD in Sociology as presented with effect from Fall 2023.
- MOTION: That Senate approve the introduction of the Collaborative Specialization in African Studies to the PhD in Anthropology as presented with effect from Fall 2023.
- MOTION: That Senate approve the change in degree name from MASC in Technology Innovation Management to MSC in Technology Innovation Management as presented with effect from Fall 2023.

A Senator noted that motions 9 – 11 constitute the first collaborative PhDs in African Studies offered in Canada. This achievement coincides with the opening of the new Institute of African Studies in Dunton Tower. Senators responded to this news with a round of applause.

c. Senate Academic Governance Committee (SAGC)

Committee Chair Elinor Sloan presented a motion for Senate to ratify Peter Thompson (FASS) as a new member for SQAPC.

It was **MOVED** (E. Sloan, P. Rankin) that Senate ratify the nominees for Senate committees, for service beginning immediately upon approval.

The motion **PASSED**.

SQAPC Chair Dwight Deugo noted that as Peter Thompson joins SQAPC, Senator Augustine Park will be stepping down. He thanked her for her service on SQAPC.

8. Academic Plan Consultation

Academic Plan Working Group Co-Chairs Catherine Khordoc (Deputy Provost) and David Hornsby (AVP Teaching & Learning) plus VP Research & International Rafik Goubran spoke to this item and led the consultation with Senate. A draft plan was circulated in advance to Senators.

The Carleton Academic Plan (CAP) completes a suite of plans stemming from the Strategic Integrated Plan 2020-25, including Kinàmàgawin, the EDI Action Plan, Sustainability Plan, the Coordinated Accessibility Strategy, and others. Together they form an overarching approach to academic excellence at Carleton.

Under the co-sponsorship of the Provost Jerry Tomberlin and the VP Research & International Rafik Goubran, the draft Academic Plan has been developed in consultation with the Deans, the University Librarian, Senate and members of the Vice-Presidents' Academic and Research Committee (VPARC).

The Academic Plan is a response to the University's Strategic Integrated Plan and its call for specific strategies and plans that will allow Carleton to reach its goals in the areas of teaching and learning, research, student experience and organizational excellence. The Academic Plan is closely modeled on the Strategic Integrated Plan. Aspirational statements and pathways from the SIP are repeated within the Academic Plan and provide its organizational framework. Within this framework, the plan articulates a series of actions that are priorities for the research, teaching and learning missions of the university.

The Academic Plan is meant to provide a bridge between the Strategic Integrated Plan and Faculty strategic plans.

Major themes of the Academic Plan include:

- Growing research
- Focusing on student academic success
- Fostering transversal skills such as critical thinking, ethical leadership and cultural awareness

- Building environments where scholars at all levels can pursue knowledge
- Supporting Indigenous teaching, learning and research

Research areas have been highlighted in three appendices to the plan:

- Appendix A – provides stable areas of research strength identified by the Faculties, aggregated under Sustainability, Wellness and connectivity.
- Appendix B – identifies areas currently being pursued and associated with large-scale external funding. This list will be updated on an ongoing basis.
- Appendix C (to be added) – will map the United Nations Sustainable Development Goals (UNSDG) with Carleton’s ongoing research, teaching and other initiatives.

Senators were invited to provide feedback on the draft, both in the consultation session and via the online portal. Next steps include a presentation to VPARC and further revisions to the draft before returning to Senate for approval later this term.

Discussion:

A Senator asked how the plan will be used, particularly for new programs moving forward. The Deputy Provost noted that the Academic Plan falls between the SIP and Faculty Plans. It shows general directions and is aspirational; specific programs are normally addressed within the Faculty Plans. The Academic Plan strives to achieve a balance between the high-level Strategic Integrated Plan and the more detailed plans at the Faculty level.

The Chair of SQAPC noted that moving forward, the Quality Assurance process for new programs could include a description of how that program relates to the Academic Plan as well as the SIP, to tie new programs into the CAP.

A Senator asked how the research areas identified in the appendices (particularly those receiving large grants) affect the plan. The VP Research & International noted that the appendices list research activities but do not affect the plan. Representation of research funding areas is included in the plan to satisfy tri-council requirements, but the lists can be updated regularly as new areas become a priority for larger grants.

A Senator suggested that the aspirational statements around creating, sharing and preserving knowledge be moved from the preamble into the main part of the plan. Another Senator noted that the larger aspirational goals of the plan shown in the slide presentation as “themes” are not expressed in the draft document; as

a result, the larger strategic directions become lost in the plethora of smaller goals and objectives.

A Senator commented on the goal of reducing DFWs to less than 20%, as specified in the plan. They questioned whether this number is within an instructor's control, and if this target percentage might be used in the evaluation of instructor performance. The presenters confirmed that monitoring instructors is not part of the plan. The percentage expressed is aspirational, and should not be taken in isolation. Improving student success and learning outcomes is very important, but it can be achieved in many ways.

The presenters were asked to clarify the relationship between research goals in the plan and core areas of the appendices. The Deputy Provost noted that the appendices detail areas of research strength, but it is not easy or even advisable to disentangle research and teaching. Some goals in the plan tie them together.

The Chair confirmed with Senators that the plan was heading in the right direction from their point of view, and reminded Senate that the plan would be back for approval at a later meeting. He thanked the presenters for the consultation and Senators for their feedback and discussion.

9. Reports for Information

a) Senate Executive Minutes (January 17, 2023)

There was no discussion of this item.

10. Other Business

There was none.

11. Adjournment - The meeting was **ADJOURNED** (J. Tomberlin, D. Sprague) at 3:30 pm.