Minutes of the 593rd Meeting of the Board of Governors

Tuesday, November 24th, 2015 at 4:00 p.m.
Room 2440R River Building, Carleton University

PRESENT: Mr. A. Tattersfield, Chair Dr. C. Carruthers, Vice-Chair Dr. R. O’Reilly Runte
Ms. D. Armstrong Ms. L. A. Daly Mr. J. Durrell
Mr. M. El Koussy Ms. C. Gold (phone) Mr. K. Evans (phone)
Mr. D. Craig Dr. P. Merchant Prof. R. Gorelick
Mr. N. Nanos Mr. B. Hobin Mr. R. Jackson
Mr. O. Javanpour Dr. B. Örmeci Ms. C. Switzer
Mr. M. Wernick Mr. A. Ullett Ms. L. Watson
Mr. B. Wener Mr. E. Greenspon Dr. S. Whitney
Dr. F. Afagh Ms. J. Gilbert Mr. D. Andrews
Mr. R. Burgess Mr. F. Alhattab

STAFF: Ms. J. Caldwell Ms. S. Blanchard Dr. P. Ricketts
Mr. D. Watt Ms. J. Conley Mr. S. Levitt

REGRETS: Ms. G. Courtland Ms. R. Thompson Ms. L. Levonian

GUESTS: Ms. K. Green Mr. T. Sullivan Mr. B. Winer
Mr. R. Nelson Ms. A. Kenny Mr. N. McCormick

OPEN SESSION

1. CALL TO ORDER AND CHAIR’S REMARKS

The Chair called the meeting to order at 4:01 p.m. and welcomed all attendees to the first on-campus meeting of the Full Board for the 15/16 year. He also welcomed guests in the room who were present for the Open Session of the meeting.

2. DECLARATION OF CONFLICT OF INTEREST

The Chair asked for a declaration of conflict of interest from the members as it pertained to the items on the Open agenda. There were none.
3. **APPROVAL OF AGENDA**

There was a motion by Mr. Alhattab and it was seconded by Mr. Hobin that the agenda be approved as presented.

4. **APPROVAL OF THE CONSENT AGENDA**

Ms. Armstrong moved to approve the Consent Agenda as presented. The motion was seconded by Ms. Daly and was carried.

5. **CARLETON’S JOURNEY TO EXCELLENCE**

Mr. Watt announced that Carleton University has achieved the Gold Level certification in the Healthy Workplace category, from Excellence Canada – the first Canadian university to reach this level.

He extended his thanks to the Healthy Workplace Champions network on campus, which is led by Mr. Ed Kane, and to all faculty and staff for their help in making this achievement a reality. In addition, Carleton has been awarded Silver Level in Excellence, Innovation and Wellness for Finance and Administration, as well as Bronze in Mental Health at work.

Mr. Watt invited Ms. Andrea Kenny from Athletics to summarize her experience with the Healthy Workplace initiatives. There was an opportunity for a photo with the Chair of the Board, Mr. Watt and Ms. Kenny with the award that the University received.

6. **ITEM(S) FOR DELIBERATION**

6.1 **Approval of the Framework for the 2016/17 Operating Budget**

Mr. Watt made a presentation on the Framework for the 16/17 Operating Budget. Highlights of the presentation included some of the following observations:

- The Ontario government contributes significantly to the University’s funding. There are discussions taking place about possible new funding models but there won’t likely be more details until Winter 2016. In the event that significant changes are implemented, they will not likely be put into effect until 2017/18 at the earliest.
The University has control over how it spends its money, however the majority of these resources are allocated to salaries and benefits (over 70%). It is critical that the University continue to manage this area, and related negotiations, cautiously.

Projections indicate that there will be a drop in university-aged students over the next several years and the University needs to be strategic about decisions on how to maintain, and grow, its footprint in the marketplace. Linked with this, the retention rate has slipped slightly from 79.3 to 79.1% and this needs to be watched closely.

Investment portfolio performance has been good and continues to do well among comparators in Fall 2015. The next pension valuation will be filed in July 2016.

Planning assumptions with respect to revenue for the period of 2015-2022 include, but are not limited to:
- Retention rates will remain stable;
- Domestic tuition fees will increase by 3% per year;
- First year enrolment will mirror demographic projections;
- There may be discounted government funding to the university sector for undergraduate growth.

Planning assumptions with respect to expenses for the period of 2015-2022 include, but are not limited to:
- There will be extraordinary pension payments;
- There will be an annual base fund of $1 million for mission critical initiatives;
- There will be an enrolment-linked budget allocation (ELBA) model in place that provides net new income from undergraduate and graduate growth to Faculties;
- There will be a $14 million annual allocation for deferred maintenance.

Future uncertainties that the University needs to keep in mind include, but are not limited to:
- Demographics and participation rates;
- Special payments to the Pension Plan;
- Operating grant reductions;
- New undergraduate campus locations in the GTA;
- Tuition fee policy.
Ms. Armstrong moved to approve the recommendation of the Finance Committee to direct the Administration to develop a balanced 2016/17 operating budget that will permit progress toward institutional priorities as outlined in the Strategic Integrated Plan, and it was seconded by Mr. Wener. One member opposed the motion, three abstained from voting and the motion carried.

Mr. Watt continued with a brief presentation on the Ancillary Budget. Ancillary services include: Athletics, Bookstore, Health & Counselling Services, Housing and Conference Services, Graphic Services, Parking Services and the University Centre. All ancillary services are in good financial shape. However, he noted that there are two services that need to be kept in mind due to changes in modes of use and/or delivery and increased competition – the Bookstore and Graphic Services. All ancillary services are mandated to break even.

Ms. Armstrong moved to approve the recommendation of the Finance Committee to direct the Administration to develop an ancillary budget for the 2016/17 fiscal year, based on the Framework presented and it was seconded by Mr. Wener. The motion carried.

6.2 Strategic Investment Fund Proposal

President Runte gave a brief overview of the working paper which had been provided in advance.

Through the Canada First Research Excellence Fund (CF-REF) the University is eligible to compete to receive contributions of approximately $68.6M with a one-time investment of $9.8M from Carleton University. The CF-REF program provides competitive Federal research funding for postsecondary institutions to create world-leading research capabilities and long-term economic growth for Canada.

Carleton’s CF-REF Proposal for the November 2015 LOI Competition focuses on Aerospace research through a multi-disciplinary approach. The proposed research program will attract new faculty members, students and researchers in the broad area of aerospace: engineering, business, human computer interaction, science, and public policy. It will allow Carleton to conduct world-class research in collaboration with industry and academic partners to maintain Ontario’s global competitiveness and international visibility in this area.

The proposal aligns with Carleton’s Strategic Integrated Plan.
A question was raised regarding how the funds will be allocated when they are received. President Runte confirmed that it is a multi-disciplinary proposal and the funds will be distributed across the relevant faculties including Engineering, Science, Arts and Architecture, as well as Graduate Studies.

Mr. Javanpour moved to approve the recommendation of the Finance Committee to approve the investment of $9.8M in fiscal funds from the Strategic Initiatives Fund, conditional on the approval of the proposal. The motion was seconded by Mr. Craig. There was one abstention. The motion carried.

7. ITEM(S) FOR INFORMATION

7.1 Report of the Aboriginal Education Council

Ms. Karen Green, Director of Equity Services and Mr. Rodney Nelson, a faculty member and co-chair of the AEC, were invited to make a presentation to the Board. They gave a summary of the First Annual Report of the Aboriginal Education Council for the period of September 2013 to August 2014, a written version of which was provided in advance.

There was discussion regarding the recruitment strategy to attract aboriginal students to Carleton and a suggestion was made that perhaps the Community Relations & Advancement Committee could take some time to strategize with Ms. Green and Mr. Nelson around the possibility of establishing an ethical framework for fundraising for this initiative, which would help to support the comprehensive recruiting process, including other indigenous issues.

President Runte thanked Ms. Green and Mr. Nelson for their dedication and commitment to this initiative, and to Dr. Ricketts for his on-going support.

8. PRESIDENT’S REPORT

8.1 President’s Activities

With the new Liberal Government in place, President Runte indicated that she has reviewed the posted letters of mandate from Prime Minister Trudeau to his Cabinet Ministers, noting key priorities from their respective portfolios that might have an impact for Carleton University. She also sent a letter of welcome to each new Minister.

During recent travels to Seattle, the President held several meetings with various alumni who are working for Microsoft, Google, and similar companies. She was able to secure a
commitment from several of them to guarantee employment with their company upon graduation, for those graduates who have successfully completed an internship with them. There was also a strong interest in recruiting graduates from our ‘big data’ program.

Congratulations were extended to Jennifer Conley and the Advancement team for their tremendous efforts and the success of the Comprehensive Campaign launch in early November. Ms. Conley confirmed that over 244 attendees participated in the Launch, which has become a springboard for many strategic fundraising conversations, and that the momentum is high. She also announced that November was the most successful philanthropy month to date and was confident that Giving Tuesday, on December 1st, would be an equal success.

There has been an overwhelmingly positive response to the fundraising matching campaign for student scholarships and bursaries. It is likely that a request will be brought to the Board seeking approval to increase the allocation of funds for this purpose for the new fiscal year.

8.2 Student Initiatives and Enrolment Updates

The Vice-President (Students and Enrolment) submitted a written report in advance. She noted that there were six students and one faculty member known to be in Paris during the recent attack. There were contacted immediately and they are all safe. Two of the students have decided to return home and the University is working with them to make these arrangements. There is on-going monitoring of the situation.

8.3 Communications Update

The Director of Communications was not present and members were encouraged to review the report which was provided in advance.

President Runte concluded her report by thanking the Chair, Vice-Chair and Board members for their time and commitment to attend the many events held during the month of November.

9. COMMITTEE CHAIR REPORTS

9.1 Finance Committee Report

The Chair noted that a joint meeting with the Building Committee took place where there was approval to award the construction tender to begin work on the Health Science
Building. The Committee also approved the recommendation for the Budget Framework for 2016/17 that was discussed earlier in the meeting.

9.2 Community Relations & Advancement Committee Report

The Chair directed members to the minutes of the recent Committee meeting which were approved in the Consent Agenda. Of particular interest is the approval of changes to the Board Award Criteria.

9.3 Building Program Committee

Mr. Watt confirmed that following the approval of the construction tender, work on the new Health Science building would begin the week of November 23rd. Consultations regarding the Campus Master Plan are under way and a full report will be presented to the Board in the New Year. There is no word on the approval of the subsidy for the Cogeneration project but it is expected before the end of the calendar year.

9.4 Governance Committee

The Chair commented that the Committee had a successful meeting earlier in the month where they received a draft of the revised bylaws, which had been reviewed by external counsel, as well as the University Secretary and General Counsel. The review is an ambitious undertaking which includes ensuring that the Bylaws also comply with the proposed changes to the Not-for-Profit legislation that is anticipated to come into effect sometime in 2016 or 2017.

It is expected that a draft of the new Bylaws will be presented to the Board in spring 2016 for feedback and comments, with the final version being presented for approval in June 2016. Mr. Wernick indicated that if members had questions or comments to share that they could direct them to him through the University Secretary.

8. OTHER BUSINESS

There was none.

9. QUESTION PERIOD

There were no questions.

Mr. Wernick moved to adjourn the Open Session of the meeting at 6:00pm. Mr. Javanpour seconded the motion and it was carried. The Chair thanked all guests who attended the Open Session and asked them to leave so that the Closed Session of the meeting could begin.