



**Canada's Capital University**

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

**Minutes of the 602<sup>nd</sup> Meeting of the  
Board of Governors**

**Monday, April 24<sup>th</sup>, 2017 at 4:00 p.m.  
Room 2440R Richcraft Hall, Carleton University**

<b>PRESENT:</b>	Dr. F. Afagh	Mr. J. Durrell	Dr. R. O'Reilly Runte
	Mr. F. Alhattab	Mr. K. Evans	Mr. G. Owens
	Ms. D. Alves	Mr. D. Fortin	Dr. E. Sloan
	Mr. M. Bueckert	Mr. O. Javanpour	Ms. C. Switzer
	Dr. C. Carruthers (Chair)	Dr. I. Lee (phone)	Mr. A. Ullett
	Ms. G. Courtland	Dr. P. Merchant	Ms. L. Watson
	Mr. D. Craig	Mr. J. Nordenstrom	Mr. B. Wener
	Ms. L. A. Daly	Dr. B. Örmeci	Mr. M. Wernick (Vice Chair)
	Mr. P. Dinsdale (phone)		
<b>REGRETS:</b>	Ms. D. Armstrong	Mr. N. Nanos	Mr. A. Tattersfield
	Ms. C. Gold	Ms. J. Ostrajanskiy	Ms. R. Thompson
<b>STAFF:</b>	Ms. S. Blanchard	Ms. A. Goth	Dr. A. Plourde
	Mr. D. Boyce	Dr. R. Goubran	Dr. R. Nelson
	Dr. W. Clement	Dr. K. Horn-Miller	Dr. P. Ricketts
	Ms. J. Conley	Mr. S. Levitt	Mr. T. Sullivan
	Mr. D. Cumming	Mr. M. Piché	

---

**OPEN SESSION**

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

The Chair called the meeting to order at 4:00 p.m. and welcomed all attendees, guests and observers. The Open Session was live-streamed to Southam Hall 617.

**2. DECLARATION OF CONFLICT OF INTEREST**

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

**3. APPROVAL OF AGENDA**

Dr. Runte moved, and it was seconded by Mr. Craig, that the open agenda of the 602<sup>nd</sup> meeting of the Board of Governors be approved, as presented. The motion carried.

**4. APPROVAL OF THE CONSENT AGENDA**

Mr. Wener moved, and it was seconded by Mr. Nordenstrom, that the open consent agenda be approved, as presented. The motion carried.

**5. ITEM(S) FOR APPROVAL**

5.1 Approval of the Appointment of the University Secretary

A search committee was established according to Board procedures. The position was advertised and the applications were reviewed. The search committee unanimously recommended to appoint Amanda Goth into the position of University Secretary.

Ms. Goth was thanked for her work as Acting University Secretary and her excellent work with the Board.

Dr. Runte moved, and it was seconded by Mr. Durrell, as recommended by the Executive Committee, to approve the appointment of Ms. Amanda Goth as University Secretary effective April 25<sup>th</sup>, 2017, as presented. The motion carried.

5.2 Approval of the Board of Governors Award for Outstanding Community Achievement

The Board of Governors Award recognizes a student in high academic standing that also has volunteered both at the university and within the community. This year's recipient will be graduating in June with a Bachelor of Science, Honours.

While there were a number of strong candidates. This year's recipient stood out not only for her strong academic record and excellent volunteer work, but also showed sustained volunteer work over a long period of time.

The Board Award Jury was thanked for their time in considering all applications. The award is a \$2,000 cash award and it will be given at convocation.

It was moved by Ms. Daly and seconded by Mr. Ullett as recommended by the Community Relations and Advancement Committee to approve the recommendation of the Board Award Jury that Gabriela Bernal Astrain receive this year's Board of Governors Award for Outstanding Community Achievement, as presented. The motion carried.

### 5.3 Approval of 2016/17 Operating Strategic Allocations

The 2016/2017 Operating Strategic Allocations addresses the allocation of the projected \$38 million surplus for the 2016/2017 operating budget. It is the practice of the university that the allocation of any surplus requires an approval by the Board prior to the allocation being finalized. The proposed allocation was presented to the Finance Committee on April 12<sup>th</sup>. The committee was thanked for their diligence and thoughtful questions.

Mr. Piché was introduced to give a presentation on the proposed allocation of the surplus. Mr. Piché explained that the surplus is due to a higher revenue of \$14.7 million coming from government grants, tuition fees (both related to higher enrolment), investment income (due to robustness of the market and a decision to move to equity investments) and other income. Operating expenses were also lower than projected by \$23.5 million as due to the extension of the government solvency relief program which resulted in lower than expected pension deficit contributions. However it was noted that the temporary relief does not remove the obligation on the university to pay the solvency deficit. Therefore it is proposed that \$12 million be placed in the pension reserve. It is also proposed the \$6 million be used to create an Investment Income Equalization Fund to be prudent with our projected investment returns and allow the university to offset any shortfalls. In addition, it was proposed that \$10 million be allocated towards matching Endowed Student Aid and a further \$10 million allocated to create five Endowed Chairs.

A member asked if the \$12 million allocated towards the Pension Liability Reserve could also be allocated to Endowed Student Aid. It was explained that the Pension solvency deficit is in excess of \$200 million and that the University is obligated to fund the deficit. In the event that the province changes the solvency relief or removes the relief that the pension fund currently has the university must be in the position of having a pension liability reserve and it was prudent and appropriate to allocate funds to the pension reserve.

The Endowed Student Aid will be matched and has been a great success in the past. The Endowed Chairs will also be matched and will be in the Faculties of Arts and Social Sciences, Public Affairs and Science.

It was moved by Mr. Wener and seconded by Mr. Javanpour as recommended by the Finance and Executive Committees, to approve the appropriation of 2016-17 unallocated funds as follows: \$10 million towards matching Endowed Student Aid, \$10 million towards five Endowed Chairs, \$6 million towards an Investment Income Equalization Fund, and \$12 million towards the Pension Liability Reserve, as presented. The motion carried.

#### 5.4 Approval of Operating Budget 2017/18

The Operating Budget for 2017/18 was presented to the Finance Committee on April 12<sup>th</sup>. Members of the committee were thanked for their diligence. The proposed budget is balanced at \$470 million.

Mr. Piché gave a presentation of the Operating Budget for 2017/18. A revised presentation was distributed to the Board with updates on base faculty and staff salaries and student enrolment.

The University's goal is to maintain a balanced operating budget which we have been able to achieve for quite a few years. This allows the University to invest in many areas including as student aid, infrastructure renewal, and to deal with pension liability.

Planning priorities outlined were divided into two areas: government policies and operational priorities. A draft Strategic Mandate Agreement was filed with the province last week and will be negotiated in the coming months. The budget was developed under the assumption that the university would have no additional government grants in the coming year.

The total operating budget is \$470 million, 58% of revenues are from tuition fees (\$274 million) which is considerably higher than government grants at 37% (\$172 million). Faculty and staff costs (salaries, benefits and pension) account for 72% (\$337 million) of operating expenditures. There has been steady growth in student numbers with smaller staff and faculty growth. Staff and faculty salaries have steadily increased higher than the consumer price index.

A full budget analysis was provided to the board which included: government grants, tuition revenue, investment income, other income, total expenses, additional budget allocations (focus on student support and research support), including detailed allocations to each of the faculties, academic administration, president's office, advancement, and finance and administration.

Ongoing capital projects were outlined which include: the new Health Sciences Building, ARISE Building, Energy Retrofit, Co-generation project as well as ongoing deferred maintenance projects.

The Board was also shown financial projections for 2016 to 2022 which indicated that with no additional funds per year, the operating expenditures will exceed operating revenue by 2022.

The Pension Plan's going-concern deficit and solvency deficit were outlined as well as the current pension reserve of \$129 million after the appropriation approved by the Board.

The key financial and operating risks were also outlined including reduced enrolment due to demographics, strategic mandate agreement uncertainty and possible funding levels and funded graduate spaces, structural renewal shortfall with the government funding and tuition fees being less than the cost increases, and the timing of payments related to the Net Tuition Billing System.

The budget for library acquisitions was increased by \$439,000 and it was indicated that this is sufficient so the library will not need to make cuts to the budget.

It was moved by Mr. Wener and seconded by Dr. Afagh, as recommended by the Finance and Executive Committees, to approve the proposed 2017-2018 Operating Budget, as presented. The motion carried.

#### 5.5 Approval of Student Association Fees 2017/18

A working paper was provided in advance. The Carleton Undergraduate Students' Association Fees that are increased annually by Consumer Price Index (CPI) in accordance with previous referenda and/or agreements with the Carleton Financial Services (CFS) were outlined. An annual increase of 2.5% for the U-Pass fee was proposed as per agreement between Carleton University and OC Transpo.

The Graduate Students' Association Fees that increased annually by CPI in accordance with previous referenda or by agreement with the CFS were outlined. Three additional changes, not related to CPI, were proposed for 2017-2018 that included:

- Annual increase of 2.5% in U-Pass as above;.
- Graduate Student health, dental and accident insurance premiums increased by \$20 per year for full time students passed by referendum held in March 2017; and
- A new student levy in the amount of \$50 per term (\$25 per term for part-time students) for Graduate students in the MAcc program, in order to support Sprott MAcc Society events/initiatives and passed by referendum held in January 2017.

Compulsory Fees for CUSA and GSA for Athletics and Health Services per term for 2017-2018 were also outlined.

It was also noted that the Finance Committee has requested that the Ancillary Protocol Committee meet to review the ancillary fee protocol regarding referendum approval thresholds.

It was moved by Mr. Wener and seconded by Mr. Bueckert as recommended by the Finance and Executive Committees, to approve the 2017-2018 Student Association Fees, as presented. The motion carried with one abstention by Mr. Wernick.

#### 5.6 Strategic Research Investments

A working paper was provided in advance. The Board of Governors approved a motion on November 24, 2015, to allocate a one-time investment of \$9.8M to compete for the Canada First – Research Excellence Fund that focused on Aerospace research. Unfortunately, Carleton’s project was not selected. It was proposed that the \$9.8M reserve be re-purposed to invest in attracting new external research funding that requires or would benefit from such a contribution. The fund will be used for two purposes. First, it will be used to provide support to our top researchers applying for large external grants and contracts. Secondly, it will be used to leverage external funding by providing University contributions to maximize the success of applications.

It is expected that funds will be spent over a three-year period and that they will generate indirect revenue. The funds will be administered by the Vice-President (Research and International), overseen by committees under the VPRI. Annual reports concerning the allocations will be made to the Financial Planning Group.

It was moved by Mr. Wener and seconded by Mr. Fortin as recommended by the Finance and Executive Committees, to approve that the \$9.8 million reserve fund being held for the CF-REF project be repurposed to a more general matching research fund, administered by the Vice-President (Research and International) and monitored by the Financial Planning Group, as presented. The motion carried.

## **6. ITEM(S) FOR DISCUSSION**

### 6.1 Aboriginal/Indigenous Programs and Initiative

Dr. Kahente Horn-Miller, Dr. Rodney Nelson, Dr. Wallace Clement and Dr. André Plourde were introduced to the Board. Dr. Horn-Miller gave a presentation of the proposed Truth and Reconciliation Park with the layout and proposed location, and examples of similar spaces on other campuses. Dr. Plourde gave an overview of the Indigenous Policy and Administration history and future directions. Dr. Nelson discussed the Aboriginal Education Council Annual Report which outlined the academic programming, recruitment and support for aboriginal students on campus. Dr. Clement outlined the School of Indigenous and Canadian Studies offerings.

## 7. ITEM(S) FOR INFORMATION

### 7.1 Report from the Chair

#### a) *Ontario Government Compensation Framework*

The government has mandated that an Executive Compensation Framework be developed for senior executive positions across the public sector. The development of the framework for Carleton is an ongoing process which has a schedule for completion by June 29<sup>th</sup>. The process will be transparent and public with the proposed framework posted publicly. We are currently seeking advice from consultants to find appropriate comparators.

### 7.2 Report from the President

#### a) *Strategic Mandate Agreement (SMA)*

A handout with the key priorities for the SMA was circulated to the Board. The system-wide metrics that are likely were outlined and many pertain to retention, graduation rate, employment rates, etc.

Carleton was asked to consider its distinctive qualities and what makes it different. The preliminary list included: non-affiliated university, focused sustainability and interdisciplinary, lean and attentive to the community, balanced in teaching, learning and research, innovative, collaborative, international/global and a caring community.

Some additional distinctive qualities that the members suggested were: the Capital Advantage (being located in Ottawa), financially responsible, and exceptional alumni, and student leadership. Governors were encouraged to send any additional comments to the president.

### 7.3 Committee Chair Updates

#### 7.3.1 *Building Program Committee (D. Craig)*

The committee met last on January 11<sup>th</sup> and meets again on May 16<sup>th</sup>. There are a number of major projects underway on campus including: ARISE Building (\$30 million, \$16 million from SIF funding) on schedule and occupancy scheduled for August 2018, Health Sciences Building (\$52 million) occupancy scheduled for August 2017, the Business School detailed design is underway and will be brought to the committee in September, the Energy Retro-Fit (\$21 million, partly funded by SIF), Co-generation Building (\$21 million) completion scheduled for

2018, and University Centre project on hold following results of the referendum. The renewal program on facilities is well underway and proceeding as planned.

*7.3.2 Community Relations and Advancement Committee (L.A. Daly)*

The committee will meet on May 15<sup>th</sup> at which time they will be receiving and discussing the “Talk Exchange” report. The comments and feedback on the event was positive and reflected Carleton’s caring community. The Talk Exchange report will come to the Board in June 2017.

*7.3.3 Finance Committee (B. Wener)*

Nothing additional to report.

*7.3.4 Governance Committee (K. Evans)*

The next meeting is May 10<sup>th</sup> and at that time the committee will carry out the three year mandated review of the appointment guidelines for senior administration and the president’s guidelines for senior administrators. As well, the revised terms of reference for the Executive HR/Compensation Subcommittee will be reviewed to address the Board’s responsibility in regard to the Executive Compensation Framework.

**8. OPEN-QUESTION PERIOD**

There were no questions.

**9. END OF OPEN SESSION AND BRIEF NETWORKING BREAK**

It was moved by Mr. Owens and seconded by Dr. Sloan that the Board of Governors adjourn the Open Session at approximately 6:30 p.m. The motion carried.