CONSENT AGENDA
to the Open Agenda of the 639th Meeting of the Board of Governors

Wednesday, March 6th, 2024
Richcraft Hall 2440R

4.1 ITEM(S) FOR APPROVAL

4.1.1 Approval of minutes of the previous meeting and Business arising from the Minutes

MOTION: That the Board of Governors approves the open minutes of the 638th meeting of the Board of Governors, as presented.

4.2 ITEM(S) FOR INFORMATION

4.2.1 Committee Minutes

a) Advancement and University Relations
   - September 2023 Meeting Minutes

b) Building Program Committee
   - November 2023 Meeting Minutes

c) Finance Committee
   - November 2023 Meeting Minutes

4.2.2 Carleton Energy Master Plan Update & GHG Update

4.2.3 Ongoing Capital and Deferred Maintenance Project Status Report

4.2.4 Investment Committee Membership Renewal

4.2.5 Infrastructure Investment Manager

4.2.6 Private Equity Investment Manager

4.2.7 Investment Report on the Endowment

4.2.8 Audited Financial Statements for the Carleton University Retirement Fund

4.2.9 Update on the 2023-2024 Operating Budget and Status of Reserves

4.2.10 Minutes of 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 638th Meeting of the Board of Governors
Tuesday, December 5th, 2023 at 3:00 p.m.
Richcraft Hall Room 2440R

PRESENT:	G. Farrell (Chair)	D. Greenberg	J. Nelson
	B. Creary (Vice-Chair)	L. Grussani	B. O'Connor (Virtual)
	H. Babb (Virtual)	A. Hamdani	J. Ojangole
	J. Camelon	N. Karhu	P. Smith (Virtual)
	A. Chan	A. Keung (Virtual)	J. Taber (Virtual)
	P. Dion (Virtual)	M. Main	C. Tessier
	J. Devoe (Virtual)	D. Maseko (Virtual)	J. Tomberlin
	D. Fortin (Virtual)	S. Mingie	A. Tremblay
	K. Furlong (Virtual)	G. Morris	P. Wolff
	M. Gillis	L. Newton Miller	
REGRETS:	Y. Baltacioğlu	K. von Finckenstein	J. Muthukumar
STAFF:	N. Afouxenidou	R. Goubran	K. McKinley (Virtual)
	S. Blanchard	C. Khordoc	A. Mullin
	J. Conley	S. Levitt	G. Nower
	L. Dyke	A. Marcotte	P. Rankin
	T. Frost	N. MacDonald	K. Solomon
	A. Goth (R. Secretary)		

OPEN SESSION

1. CALL TO ORDER AND CHAIR'S REMARKS

The Chair called the meeting to order at 3:02 pm and welcomed governors and attendees to the meeting. The Chair acknowledged the Algonquin First Nation territory on which Carleton University is located. He recognized the 16 Days of Activism Against Gender-Based Violence and that December 6th was White Ribbon Day. He reviewed the meeting protocols for members in person and attending virtually.

2. DECLARATION OF CONFLICT OF INTEREST

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

3. APPROVAL OF AGENDA

The agenda was circulated in advance.

It was moved by A. Tremblay and seconded by P. Wolff that the open agenda of the 638th meeting of the Board of Governors be approved, as presented. The motion carried unanimously.

4. APPROVAL OF THE CONSENT AGENDA

The following items were circulated in the open consent agenda for approval: Open Session Minutes from the 637th Board Meeting and the Signing Authorities Policy.

The following items were circulated in the open consent agenda for information: University Committee Minutes from the September meetings of the Advancement and University Relations, Building Program, and Finance Committees, Major Capital Plan, Strive for Sustainability Annual Report 2022/23, ArcGIS and Building Information Modeling – 3D Visualizations, Ongoing Capital and Deferred Maintenance Project Status Report, Update on the 2023/24 Operating Budget, Update on the 2023/24 Ancillary Budget, Pension Plan Report, Responsible Investment Report, Student Governor Handbook and Election Process, Administrative Staff Governors Handbook and Election Process, and Minutes from Senate.

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

5. ITEMS FOR APPROVAL

5.1 Framework for the 2024/25 Operating Budget

An executive summary and presentation were circulated in advance.

A. Hamdani, Chair of the Finance Committee, provided a brief introduction advising that the framework for the 2024/25 operating budget was reviewed by the Finance Committee and was recommended to the Board for approval.

P. Rankin, Provost and Vice-President (Academic) provided a presentation on the framework for the 2024/25 Operating Budget. Planning exercises linked to the Framework included the Strategic Integrated Plan, the Strategic Mandate Agreement (SMA3) metrics, the 2024/25 Operating Budget, and the Resource Planning Committee (RPC) plans. The Carleton Planning Framework cycle was reviewed which this year included a Strategic Integrated Planning Committee (SIPC) forum with the broader leadership team in November. The theme for the year is “progressing on strategic priorities during times of financial constraint”. Areas of focus include undergraduate recruitment and retention, program refresh and the development of new programs and online options, student mental health and employability, and process modernization.

Challenges in maintaining a balanced operating budget were identified. These included pressures form the tuition freeze, international markets, changes in domestic enrolment patterns, the SMA3 and corridor model for funding, deferred building and infrastructure maintenance, rising capital project costs, labour agreements and expectations exiting Bill 124, and rising IT needs. There are opportunities, such as the return to in-person recruitment, reputational enhancement efforts, program innovation and renewal, internally restricted reserves, and the recommendations from Blue-Ribbon Panel.

Management is planning a 3% base expenditure budget cut for 2024/25. The aim is to reduce discretionary spending, leverage the significant appropriated reserves within the units to maintain operations, and invest in new growth. Reserves will need to be drawn upon to maintain operating service levels. Enrolment was projected to be flat over the next few years, but there is expected growth in the population of 18-year-olds in Ontario.

Looking ahead, the University cannot cut its way out of financial pressure. Revenue growth is required. Increased revenue can be sought through prioritization of recruitment, enrolment and retention at the undergraduate level. Program innovation and renewal is a necessity. Carleton is planning for financial constraint in the coming years.

Base budget cuts will be applied to all RPCs for 2024/25. This will require rationalizing services, finding efficiencies, and automating processes. Financial constraints should not discourage longer-term planning and opportunity seizing. Carleton will continue to encourage initiatives aimed at improving recruitment and incubating new programming.

A member inquired about the risk rating as medium and asked for clarification. P. Rankin responded that she is comfortable with the risk analysis. It is important that community members be aware of the financial situation that Carleton, the available reserves, and to be cognizant of the broader financial landscape.

On the recommendation of the Finance Committee, it was moved by A. Hamdani and seconded by D. Maseko to approve Carleton's operating budget planning framework for fiscal year 2024/25, as presented. The motion carried unanimously.

5.2 Borrowing Resolution – RBC Credit Agreement

An executive summary was circulated in advance.

A. Hamdani advised that the Borrowing Resolution for the Frontenac Residence was recommended for approval by the Finance Committee.

L. Dyke, Vice-President (Finance and Administration) advised the credit agreement for the Frontenac Residence in 2008 hedged the variable rate with a fixed interest rate swap. In addition to the normal requirement to renew the agreement every five years, the basis for pricing the interest ratee swap has changed; therefore, Carleton is seeking approval from the Board for a renewed agreement.

A. Marcotte, Associate Vice-President (Financial Services), advised that currently the University has three loan agreements with the Royal Bank of Canada (RBC) for three of the student residences. These agreements are referred to as swaps where the variable rate loan is exchanged for a fixed rate. Every five years, the variable portion of the swap agreement must be renewed. It was due for renewal in August 2023 and at that time, the Executive Committee approved an extension due to new language not yet being available for contracts. The updated language for the Canadian Overnight Repo Rate Average (CORRA) is now available. Therefore, Board approval to renew the loan with respect to the Frontenac Residence of $10.5 million is required. The new variable component of the loan will increase 22 basis points to 59 basis points or an all-in rate of 5.15%, an increase of $22,000 a year.

On the recommendation of the Finance Committee, it was moved by A. Hamdani and seconded by S. Mingie to approve the borrowing resolution with reference to the Frontenac Residence credit agreement with the Royal Bank of Canada, as presented. The motion carried unanimously.

6. ITEMS FOR INFORMATION

6.1 Report from the Chair

Applications for the Board Award for Outstanding Community Achievement as well as for the Founders Award were open. He asked that members share within their networks and/or consider bringing forward a nomination.

He advised that the call for expressions of interest for student governors will be going out January 9, 2024. If members know any students who might be interested in being on the Board to share the call. Call for expressions of interest for one Community-at-Large governor and administrative staff governors will be going out on December 1st and February 1st respectively. Again, he asked if members know a community or staff member interested in volunteering with the Board, that they share details.

Giving Tuesday was November 28, 2023 and it is a key date in Carleton's philanthropic efforts, featuring 78 approved projects. The Carleton community made 1,745 donations totaling $1,110,430 which, when matched, will contribute $2,220,859 to Carleton causes. He thanked those that took up the opportunity to leave their mark through Carleton by driving social change through higher education.

He acknowledged Board member D. Greenberg on the grand opening of the Barbara Crook and Dan Greenberg Mental Health Centre at the Queensway Carleton Hospital.

A member asked about the skills being sought for the 2024/25 Community-at-Large recruitment. B. O'Connor, Chair of the Governance Committee, responded that they are seeking potential candidates with finance, accounting, capital planning and/or architecture skills. She added that there is only one vacancy for the upcoming year, but there will be six vacancies for the 2025/26 Board year.

6.2 Report from the President

A written report was circulated in advance.

J. Tomberlin, Interim President and Vice-Chancellor advised that it was the last week of classes of the semester, with exams starting the following week.

Fall Convocation took place on November 4, 2023 with over 1,200 graduating students crossing the stage. An honorary degree was awarded to physicist D. Sinclair for his outstanding contributions to the field of experimental sub-atomic physics and for his leading role as founding director of SNOLAB. The largest open house for student recruitment also took place on November 4th. For a second consecutive year, Carleton has been distinguished as one of Canada's top 100 employers and that the Students and Enrolment division has achieved the Canada Awards for Excellence gold level certification from Excellence Canada's Organizational Excellence Standard in 2023. Through Fall 2023, Carleton hosted an exclusive collection of Norval Morrisseau's paintings, drawings, and objects co-curated by C. Robertson at the Carleton University Art Gallery.

Regarding research, J. Davis, PhD candidate in Carleton's Norman Paterson School for International Affairs, was named as the recipient of the Social Science and Humanities Research Council's (SSHRC) 2023 Impact Award in the Talent Category for her research into the effects and outcomes of counter-terrorism policy. Additional highlights from research included:

- W. Ye, professor in the Department of Electronics, was elected Chair of the IEEE Women in Engineering (WiE) Committee;
- S. Cooke was on the world Highly Cited Researcher list for the fourth year in a row;
- J. Rocha received the 2023 Elsie MacGill - Education Award for her work on aeroacoustics; and
- E. Grey, the Academic Director of Sprott's Master of Accounting program, was elected as a Fellow by the CPA Ontario Council.

An update on enrolment was provided. Some decline in first-year undergraduate enrolment was noted. As of November 1, 2023, enrolment was down 2.6% for domestic and 13.0% per international; however, at the graduate level, enrolment was up 33% for domestic and 18.4% for international students. Regarding the budget, the University was expecting a $500,000 negative variance for fire maintenance work and slightly increased utility costs. Given world events, Carleton will continue to monitor student bad debt as this may impact international students' ability to move money out of their home country and pay tuition.

As part of the Advancement update, he highlighted a collaboration between Carleton and Ross Video, which will include co-op and talent development as well as philanthropic and sponsorship commitments. University Advancement continues its focus on planning and preparation for the next fundraising campaign aiming for a $40 million annual revenue goal.

6.3 Committee Chair Updates

6.3.1 Building Program

C. Tessier, Chair of the Building Program Committee, advised that the Committee met on November 16, 2023, and considered four items for information and discussion:

- A high-level status report of the Major Capital Plan which prioritizes all projects valued over $5 million or greater and are expected to be in planning or implementation stages during the next year. Projects underway included the new student residence, Teraanga Commons Dining hall and Kitchen expansion, the decommissioning and demolition of P9, and the Loeb Envelope Remediation and Replacement. The projects under planning included the Paterson Hall Building Retrofit and renewal. The projects under consideration are the Regional Aquatics and Wellness Hub and the Sustainability Research Centre;
- S. MacDonald, Director of Energy and Sustainability Services, provided a progress update on the Strive for Sustainability Plan which highlighted Carleton's commitments to sustainability as well as awards and recognition. The presentation also highlighted Carleton's programming to reach carbon neutrality by 2050, including investments, procurement, active travel, and bird-friendly glazing;
- M. Monreal, Project Management for Integration provided an interactive presentation on the use of ArcGIS and Building Information Modeling (BIM) to create 3D visualizations of the campus infrastructure to assist with design and construction of new and existing buildings as well as facilities management of the campus; and
- An update on the ongoing capital and deferred maintenance currently underway on campus with projects totally $228 million. Items of note included the schematic design for the Loeb Building exterior envelope remediation and replacement are underway, a BIM model of the interior and

exterior of Paterson Hall have been completed, site survey's geotechnical and environmental studies for the decommissioning of the P9 parking garage are underway and the tender documents have been released for the Teraanga Commons Dining and Kitchen Expansion.

6.3.2 Finance

A. Hamdani, Chair of the Finance Committee, advised that the Committee met on November 16, 2023. There were two items for approval, both of which were recommended to the Board and were approved earlier in the meeting:

- The Framework for the 2024/25 Operating Budget which outlined the planning priorities as undergraduate recruitment and retention, program refresh, new online markets, service rationalization, and process modernization. The framework also outlined expected revenues and expenses and proposed a 3% base expenditure budget cut for all operating RPCs, which is a value of approximately 10%; and
- A borrowing resolution for an RBC credit agreement related to Frontenac House Residence loan for an all-in interest rate of 5.15%.

The Committee also received a number of items for information:

- An update on the 2023/24 operating budget which showed minor variances, tuition revenue is slightly below budget, no changes are anticipated in the government grant or investment income, some minor negative variances in some university budgets and saving is expected in the contingency budgets to produce a break-even budget at year-end;
- an update on the 2023/24 ancillary budget showed a return in revenue to pre-pandemic levels, ancillary results are on-track to meet budget;
- A capital budget update showed all projects are on budget;
- A Pension Plan Report was provided by A. Urquhart, Executive Director, Pension Fund Management, which outlined the fund's net return was 11.8% and a market value of $1.6 billion at June 30, 2023. The Plan's financial position is strong on both a going-concern and solvency ratio basis;
- The first Responsible Investment (RI) Report for the Endowment and Non-Endowed Funds which provided highlight of the University partnership with RI coalitions, external investment manager commitments to global climate initiatives, proxy voting and engagement by public equity managers, climate change metrics and case studies; and
- In response the Auditor General's special report on Laurentian University, The Ministry of Universities and Colleges is developing a framework for financial oversight called the Financial Accountability Framework for Ontario Universities.

6.3.3 Governance

B. O'Connor, Chair of the Governance Committee, advised that the Committee met on November 21, 2023 and reviewed four items for approval:

- Student Governor Handbook and Election Progress;
- Administrative Staff Governor Handbook and Election Process;
- 2023/24 Board Self-Assessment; and
- Signing Authorities Policy.

There were two items for discussion. The first was a review of the approach for Community-at-Large Recruitment, noting that there will be one vacancy to fill for the 2024/25 Board year. The Secretariat Office maintains an evergreen list of potential qualified candidates which was reviewed by the Chair and Vice-Chair. The Committee also heard a review of the senior executive appointment guidelines, which will return to the Committee in the new year.

7. OPEN-OTHER BUSINESS

No other business was brought forward.

8. OPEN-QUESTION PERIOD

No additional questions were brought forward.

9. END OF OPEN SESSION AND BRIEF NETWORKING BREAK

There being no further business, the Open Session of the Board of Governors was adjourned at approximately 3:45 p.m.

Carleton University

Minutes of the 122nd Meeting of the
Advancement and University Relations Committee
Wednesday, September 13th, 2023
Richcraft Hall 2440R

Present:	D. Greenberg (Chair)	M. Gillis
	K. Furlong (Vice-Chair)	L. Grussani
	A. Chan	J. Nelson
	B. Creary (Virtual)	L. Newton Miller
	J. Devoe	J. Taber (Virtual)
	G. Farrell	J. Tomberlin
Staff:	N. Afouxenidou	S. Levitt
	J. Conley	K. McKinley (Virtual)
	T. Frost	A. Mullin
	A. Goth (R. Secretary)	P. Rankin
	C. Khordoc	S. Solomon

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1. CALL TO ORDER AND CHAIR'S REMARKS

The meeting was called 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. He welcomed the new and returning 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 L. Grussani and seconded by M. Gillis that the Advancement and University Relations Committee approve the agenda of the 122nd 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 M. Gillis and seconded by L. Newton Miller that the Advancement and University Relations Committee approve the minutes of the 121st meeting, as presented. The motion carried with one abstention. There was no business arising from the previous minutes.

5. ITEMS FOR APPROVAL

5.1 Board Award for Outstanding Community Achievement Criteria and Jury

An executive summary, criteria, and timeline were circulated in advance.

The Chair advised that every year, the Carleton Board of Governors honours a student who has shown exceptional volunteerism throughout their tenure at Carleton through the Award for Outstanding Community Achievement.

A. Goth, University Secretary, advised that the Advancement and University Relations Committee is responsible for reviewing and recommending the award criteria and the jury. The 2023/24 Jury was proposed as follows: D. Greenberg, K. Furlong, L. Newton Miller, J. Nelson, M. Gillis, and G. Morris.

The Vice-Chair and previous member of the Board Award Jury commented on the extremely high caliber of students nominated in terms of their volunteerism and contributions to Carleton. She noted that what can separate the candidates is their GPA, but this can be buried in their nomination materials. She asked if the GPA can be in a more prominent position in the application files for this year.

It was moved by K. Furlong and seconded by J. Devoe to recommend to the Board of Governors the approval of the criteria for the 2023/24 Board of Governors Award for Outstanding Community Achievement, proposed timeline, and jury composition, as presented. The motion carried unanimously.

5.2 Founders Award Criteria and Jury

An executive summary and criteria were circulated in advance.

The Founders Award is Carleton's highest non-academic honour and recognizes those individuals who have made significant contributions to Carleton through their dedication, generosity, and commitment to the values of the University.

A. Goth advised that the Founders Award was previous presented by the Department of University Advancement, with 2021/22 being the first year that the Board took over the administration of the award. The 2023/24 Jury was proposed as follows: D. Greenberg, J. Saley, J. Conley, A. Chan, N. Karhu, M. Gillis, and M. Main.

In 2022/23, the Jury flagged some areas for consideration such as the criteria may need to be fleshed out and whether the name "Founders Award" should be revisited.

The Vice-Chair highlighted the decision not to give the award in 2022/23. She suggested adding a top-level sentence to the effect of "while many individuals have contributed to a life-time of employment in service to the University, that is not sufficient to be considered for this award", as the expectation is for contributions beyond long employment service. The threshold for the award should be high to solidify how prestigious the award is.

A member inquired why the award was not given in 2022/23. A. Goth responded that the individuals that were nominated were stellar in terms of their service to the University but that was primarily through employment and not necessarily above and beyond volunteering or giving back to the University or community. More work also needs to be put into the number of nominations coming forward, as there were only a few for 2022/23.

A member asked for clarification regarding the carry-forward of nomination for a period of up to three years. The Vice-Chair responded that the idea is that, if in one year there are two equally deserving candidates, one nomination can be moved forward to the following year for consideration again.

A member asked what steps are being taken to increase the pool of nominations. A. Goth responded that over the past two years, the Secretariat reached out to faculty and staff through internal channels, but more direct steps could be taken, as well as reaching out externally. A discussion took place regarding the use of social media including Twitter and LinkedIn on internal versus external channels.

A member asked if the Communications team can highlight one of the previous award recipients and have them speak to the importance of the award. A. Goth responded that Communications does Convocation Stories around the time that the award is given but this could be combined with the communications for nomination of the award.

The Chair inquired as to next steps and timelines. A. Goth responded that on the current schedule, the call for nominations would close at the end of March 2024. At the next meeting in January, an updated communications plan can be brought forward to the Committee. The motion can move forward with the amendment regarding the criteria and threshold for the award.

ACTION ITEM: A. Goth to provide a communication plan for the Founders Award at the next meeting of the Committee.

It was moved by J. Nelson and seconded by L. Grussani to recommend to the Board of Governors the approval of the criteria for the 2023/24 Founders Award, proposed timeline, and jury composition, as amended. The motion carried unanimously.

6. ITEMS FOR INFORMATION AND DISCUSSION

6.1 Reputational Enhancement Project Update

A presentation was circulated in advance.

J. Tomberlin, Interim President and Vice-Chancellor, introduced the item advising that the Brand Campaign was undertaken by previous President, B.A. Bacon. He advised that the new brand campaign has been underway for three years.

T. Frost, Chief Communications Officer and Associate Vice-President, Communications and Public Affairs, provided a presentation with a focus on undergraduate recruitment.

In 2020, the first phase commenced, including discovery sessions, workshops, and focus groups with internal stakeholders. Phase two: Brand Strategy Development, Phase Three: Creative Development, and Phase Four: Implementation went into effect in 2021. The 2022/23 Campaign included a Phase 1 from September 5th to January 15th, with a focus on creating awareness of Carleton for high school students prior to application. Phase 2 was implemented from January 16th to June 30th and targeted applicants after students had applied.

Results of the 2022/23 campaign (Phase 1) saw 97,208,000 impressions and 313,200 clicks, with $459,000 spent. Phase 2 saw 47,696,000 impressions and 248,000 clicks with $140,000 spent. Though the impressions were lower in Phase 2, the click-through rate increased with the use of targeted ads. Impressions and clicks in both phases exceeded the benchmark.

The purpose of the campaign is to drive increased application numbers. Looking at the last five years, there was a slight decrease from 2019 to 2021. In 2021, the new brand campaign launched, along with an undergraduate recruitment campaign. As of August 2023, Carleton had a 3% increase in applications over the previous year. Importantly, there was also a 0.4% increase in first choice applications, compared to a 0.2% decrease for the Ontario system of high school applications overall.

The campaign objectives included:

- raising awareness of Carleton;
- increasing the understanding of Carleton's strengths and benefits;
- developing affinity and connection with Carleton;
- generating leads for the Undergraduate Recruitment (UGR) team; and
- to increase intent to apply.

The campaign utilizes four strategies:

1) Select and integrate a highly targeted mix of media channels based on learning from the 2022/23 campaign;
2) Develop high performing advertising creative based on past campaign data and best practice research;
3) Support and leverage undergraduate recruitment activities through the student journey; and
4) Establish a foundation for, and align with, faculty-specific campaigns.

The strategies are in line with the student journey from when students start thinking about the universities that they know, which universities they are considering or prefer to which order they apply. The reputational enhancement project also operated in alignment with the undergraduate recruitment activities including open houses, high school visits, and fair events.

Updates have been made to the campaign creative based on lessons learned from the 2022/23 campaign. Top performing creative tend to be eye-catching, using video or animation, have a maximum of 3 seconds to spark interest, are straight forward, and authentic. The campaign will continue using “Smart, Caring, Community” and “Find your people and your purpose”. Brand Ambassadors, including current students, will be utilized to produce content that is authentic and meaningful.

A 2022 Gen Z media report concluded the top five platforms used are: Instagram, Snapchat, YouTube, TikTok, and Spotify. TikTok and Snapchat were the top platforms for the target-audience and both have a very low “cost-per-click”. Google searches are an important driver for the brand, for specific programs, but also for competitors. In 2023/24, the campaign will utilize audio ads on Spotify, Inuvo online advertising that targets based on AI, and ViStar digital screens and billboard.

A member asked about Alumni involvement in the campaign. T. Frost responded that they are using stories (both in written and video format) from young alumni, recent graduates to demonstrate the outcome of an education at Carleton.

A member observed that the majority of Carleton students come from the Ottawa or Greater Toronto (GTA) areas and wondered if the strategy was to increase students from those areas or to pull from elsewhere nationally. T. Frost responded that in 2022/23, they took a targeted approach in Ottawa and the GTA as well as in Vancouver, Edmonton, and Calgary. Carleton will continue to recruit nationally and internationally, but after looking at the data, the investment that was put into the western markets would be better utilized in the GTA and Ottawa.

A member asked if there is a strategy for communities where the internet access is more limited, such as in northern or Indigenous communities. T. Frost responded that all of the ads are optimized for quick download and as long as prospective students can access the platforms, they will be able to see the ads.

J. Tomberlin added that recruitment is a “team sport”. It is incredibly important to get eyes on the ads for Carleton but then other departments work with applicants, track data from year to year, and work to understand the bigger picture. There have been some shifts in terms of students preferring to stay closer to home which means fewer students from the GTA are registering.

A member commented that this is a longer-term strategy as it takes time to build the reputation and then recommendations through word of mouth will follow. T. Frost agreed that reputation building is a long game. The goal is to develop awareness, to develop reputation, which will put the brand on the right trajectory.

6.2 Advancement Update – Overview and Strategy for 2023/24

A presentation was circulated in advance.

J. Tomberlin provided an introduction advising that in 2019, Carleton closed a $308 million campaign. Carleton is in a permanent campaign but how it is presented to the community varies. He acknowledged the work being done by J. Conley, Chief Advancement Officer, and her team as well as the work being done by R. Goubran, Vice-President (Research and International) on the holistic integrated partnerships.

J. Conley provided a presentation advising that Advancement operates in alignment with the vision to build partnerships with purpose and invites donors to give not just to Carleton but through Carleton. Advancement continues to build upon Campaign momentum and is currently developing a timetable/milestone map for the next Campaign. The three goals for 2023/24 were as follows:

1) Revenue: Sustain 4 year rolling average of $40 million, continue momentum of Holistic Integrated Partnerships, and continue active planning and operational preparedness for the upcoming campaign;
2) Relationships: continue positive momentum of "purpose-based" community engagement model, in partnership with the Centre for Community Engagement, continue international relations momentum of connecting and engaging with alumni and donors; and
3) Resilience: retain donors and talent via thought leadership, community-building, creation of best practices and "first and only programs" for the sector, and diversify and innovate to strengthen the nonprofit sector and Canadian society via philanthropy.

The Strategic Integrated Plan (SIP) informs the work undertaken by Advancement, such as continuing a focus on high-value, holistic integrated partnerships and increased engagement and stewardship efforts and innovative digital tools and methods. Goals include raising $40 million on a four-year rolling average and to identify and cultivate three new strategic corporate partners. Advancement will continue strategies to broker, manage and celebrate partnerships with purpose by developing and launching web models for community engagement and launching targeted engagement programs.

Advancement will evolve new approaches to operational, strategic, and systemic challenges by investing in passion projects and "first and only" approaches. Goals to this end include leading training and development sessions for university and charitable sectors to showcase Carleton's first and only thought leadership, completing the engagement and donor impact transformation. Board and volunteer engagement is an important component of the campaign's success and she invited members to look to the FutureFunder website.

A member noted the comments regarding the stability of the team and asked if there were any concerns about losing key members. J. Conley responded that Carleton Advancement is the most complex and sophisticated operation in Ottawa which includes training for staff to grow their skills. It is important that Advancement create a positive culture and good morale to keep staff, invest in professional and personal development, but also recognized that it is a competitive market with other large campaigns in the city.

A member asked for additional information in terms of what Carleton is achieving compared to other institutions in the Province. J. Conley responded that other institutions in the region may receive large, outlier gifts of $25 million whereas Carleton's largest gift was $15 million; however, Carleton receives more in the way of planned gifts of smaller amounts. It is a challenge to compare across the sector, as there are differences in how each university reports their numbers.

6.3 Government Relations Update

A presentation was circulated in advance.

J. Tomberlin introduced A. Mullin, Director, Government Relations, advising that his role is crucial to the relationship between the University and government.

A. Mullin provided a brief presentation and update on the Government Relations Strategic Plan. The plan has three objectives:

- to bring government to campus and the campus to government;
- to speak with a clear and distinct Carleton voice; and
- to seek opportunities for innovation and distinction.

The three priorities are applied to the relationships with the federal, provincial, and municipal governments. Priorities for these levels were as follows:

- Municipal: focusing on the Wellness Hub, development at Brewers Park and Confederation Heights, transit, and housing;
- Provincial: focusing on the Blue-Ribbon Panel including funding, grants, and tuition, as well as new programs for Carleton, including nursing, engineering, and social work; and
- Federal: considers the changing research landscape driven by funding and the granting council leadership, Federal spending reductions pressure, and international students challenges.

Priorities for Fall 2023 included Federal research engagement, developing a response to the Province on the Blue-Ribbon Panel, and working with the City of Ottawa on a path forward for the Aquatics Centre and Wellness Hub. Government Relations will also be hosting a number of events, including the Carleton Caucus. Carleton hosted the Minister of Colleges and Universities, and the Minister will be returning to discuss programs including engineering.

6.4 Advancement and University Relations Work Plan

The work plan was circulated in advance.

The work plan was discussed at the orientation session on September 5, 2023 and there were no revisions or additions.

7. OTHER BUSINESS

There was no other business brought forward.

8. IN-CAMERA SESSION

An in-camera session was held.

9. ADJOURNMENT

There being no further business, it was moved by L. Grussani and seconded by J. Nelson to adjourn the meeting at approximately 12:08 pm. The motion carried unanimously.

Minutes of the 174th Meeting of the Building Program Committee
Thursday, November 16th, 2023 at 10:00 a.m.
Richcraft Hall Room 2440R

MINUTES

Present:	C. Tessier (Chair)	D. Greenberg
	A. Tremblay (Vice-Chair)	G. Farrell
	J. Tomberlin (Interim President)	N. Karhu
	H. Babb	A. Keung
	A. Chan	M. Main
	B. Creary	J. Ojangole
Staff:	S. Blanchard	M. Monreal
	L. Dyke	G. Nower
	A. Goth (Recording Secretary)	P. Rankin
	R. Goubran	K. Solomon
	S. Levitt	N. Afouxenidou
	S. Macdonald	

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1. CALL TO ORDER AND CHAIRMAN'S REMARKS

The Chair called the meeting to order at 10:00 a.m. She acknowledged the Algonquin Nation's traditional and unceded territory that members have gathered upon for the meeting. She welcomed members and reviewed 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 regarding any of the items on the agenda. None were declared.

3. APPROVAL OF THE AGENDA

The agenda was circulated in advance.

It was moved by A. Keung and seconded by N. Karhu that the agenda of the 174th 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 173rd meeting of the Building Program Committee were circulated in advance.

It was moved by M. Main and seconded by J. Ojangole to approve the minutes for the 173rd Building Program Committee meeting, as presented. The motion carried unanimously.

5. ITEM(S) FOR INFORMATION AND DISCUSSION

5.1 Major Capital Plan

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

L. Dyke, Vice President (Finance and Administration), advised that the first Major Capital Plan was being presented to the Committee as part of the Capital Planning Policy. Previously an overview was provided annually with status updates throughout the year. On the recommendation of the external auditors, the reporting is now formalized into a Capital Plan to provide an overview of major capital projects underway and information relevant to the planning process.

The Capital Plan provides information on major Capital Projects over $5 million and is supported by a number of campus-wide plans such as the Strategic Integrated Plan (SIP), the Campus Master Plan, and the Deferred Maintenance/Capital Renewal Plan. Carleton's planning process includes consultation with external stakeholders including the City of Ottawa and the National Capital Commission as may be required. The development of major capital projects is overseen by the Board and evolves through multiple stages including the capital proposal form, the project planning report, and the project implementation report.

An important consideration for Carleton's capital investment is enrolment projections. Provincial demographics suggest modest growth going forward however enrolment is not expected to return to pre-pandemic levels until 2027.

Projects currently underway included:

- New Student Residence ($106 million) - Project implementation approved, under construction;
- Loeb Envelope Remediation and Replacement ($40 million) - Capital Proposal form approved, developing schematic designs;
- Paterson Hall Building Retrofit and Renewal ($40 million) - Capital proposal under development, developing concept designs;
- Teraanga Commons Dining Hall and Kitchen Expansion ($8.5 million) - Project implementation approved, construction to begin late 2023; and
- Demolition of P9 Garage ($5 million) - Capital proposal form approved, developing project planning report.

Projects under consideration include the Regional Aquatics Center and Wellness Hub, and the Sustainability Research Centre, both of which are on hold pending funding.

The Capital Renewal and Deferred Maintenance Investments were reviewed. The most recent estimate of the total deferred maintenance backlog is $1.2 billion. The recommendation for capital renewal is usually 2% per year, which would be $41.6 million annually or $192 million total over the next five years.

A member noted that the current deferred maintenance funding commitment from the Board expires next year. The Chair added it is important to understand the capital budget in the broader financial context.

ACTION ITEM: Board's Capital Renewal Commitment to be added on the workplan for April 2024 including an assessment from management with a risk analysis, prioritization and funding recommendation for an annual rolling average.

5.2 Strive for Sustainability Annual Report 2022-2023

An executive summary and presentation were circulated in advance.

L. Dyke introduced the item noting that the report includes teaching, learning, responsible investing and sustainability. She introduced S. Macdonald, Director, Energy and Sustainability Services, and G. Nower, Associate Vice-President (Facilities Management and Planning).

S. Macdonald provided a presentation on Carleton's annual Strive for Sustainability report. Since 2022, Carleton is a signatory to multiple sustainability programs including the Government of Canada's Net-Zero Challenge and the Race to Zero challenge for Universities and Colleges. Carleton is recognized for campus sustainability as part of a number of rankings such as the UI Green Metric, where Carleton ranked 49^{th} globally and 2^{nd} in Canada and is designated a Fair-Trade Campus.

Carleton has made progress towards becoming carbon neutral. In 2022/23, a number of programs were completed such as energy efficient upgrades to lighting in the St. Patrick Building, HVAC upgrades, and solar studies were conducted for buildings and parking lots. A review of innovative technology to lower environmental impacts across campus was undertaken.

In 2022, Carleton's total energy consumption increased by 23% compared to 2021. This was due to increased on-campus presence and operational changes post-pandemic. As part of sustainability efforts, Carleton is reporting on all greenhouse gas (GHG) emissions, including Scope 1 (natural gas), Scope 2 (purchased electricity), and Scope 3 (indirect, such as through investment) emissions.

Some of the programs being offered on campus to encourage sustainable and active travel include as e-scooters and bike use. Other campus activities included installing additional bird-friendly glazing, Food Services purchased 25% of its food supplies from local and humane food sources, and Carleton completed bi-annual 'clean up the campus' events.

As per the Responsible Investing (RI) policy of the Endowment and Operating Funds, the following programs were completed in 2022:

- Alignment of the Principles for Responsible Investment (PRI) to Carleton's responsible investing practices;
- Established a fossil fuel free fund in the endowment to which donors may direct their gifts;
- A carbon footprint assessment on the listed equities of the Endowment and Operating Funds;
- Carleton continues to not hold any direct fossil fuel investments; and
- An inaugural Responsible Investing Report for the combined Endowment and Operating Funds.

Regarding procurement, the Carleton University Reuse Base (Curb) resulted in a $27,000 return of funds and 4,514 lbs of waste diverted. Overall, 14% of Procurement's public Request for Proposals (RFP) include specific requirements or weighted criteria aligned with sustainable principles. Procurement adopted accessible procurement considerations into its policy, formed an advisory group, and launched voluntary disclosure in eShop and a resources website. Carleton continues to move towards Zero Waste and increased waste diverted from landfills by 41% since 2020 and has specialized waste collection programs for textbook recycling, personal e-waste, and batteries.

Looking ahead, Sustainability Carleton will:

- align its sustainability reporting to Environmental, Social, and Governance (ESG) initiatives as part of the new Finance and Administration strategy;
- ensure the availability of necessary capacity and that resources are aligned to sustainability programs and future ambitions for Carleton to become a leader in sustainability;
- review key suppliers and work to embed sustainability outcomes throughout the supply chain;
- pilot additional zero-waste initiatives and work towards improving waste collection and engagement; and
- will continue enhancing energy programs and embedding sustainability in retrofits and upcoming renovations.

A member asked about the rankings. L. Dyke responded that there are a lot of rankings and Carleton will be reviewing its participation. The Association for the Advancement of Sustainability in Higher Ed (AASHE) evaluation is an important ranking and is the most commonly used metric for universities. S. Macdonald added that the QS World Ranking is generated by AI and not reliant on universities sending in their own data. Other rankings are based on Carleton's submissions and may be more representative.

5.3 <u>ArcGIS and Building Information Modeling – 3D Visualizations</u>

A presentation was circulated in advance.

The Chair welcomed M. Monreal, Project Manager – Integration (Architectural) to the Committee.

L. Dyke introduced the item noting the challenges of addressing aging infrastructure such as power conduits, plumbing shut offs, and drains during emergencies or renovations. To address this issue, Carleton is developing 3D models of the campus infrastructure using ArcGIS and Building Information Modeling (BIM). This will be linked with the building management system to enhance the University's ability to conduct preventative maintenance.

G. Nower provided a presentation on BIM and the Geographic Information System (GIS) capabilities. GIS provides real-time monitoring, visualizations, and assists in planning, development, and maintenance. A demonstration of the visualizations was shared with the Committee. Strategic advantages for Carleton include using GIS for Campus infrastructure and management, tracking and monitoring of assets from watermains to fire extinguishers. It assists with risk mitigation through utility protection and enhanced maintenance scheduling and helps with sustainability, and streamlining operations. It can reduce costs through efficient design and optimizing operations and maintenance with schedules by creating an efficient construction timeline with consistent operational flow.

M. Monreal provided a presentation on the integration of GIS and BIM and showed a digital version of the Carleton campus and explained how the data will assist in maintenance and new construction. BIM can be used for facilities and management, and the digital version can be attached to warranties, allowing for automatic monitoring. A demonstration of the data available for the 3D model of the Canal Building and the new student residence under construction were shared. Scans have been completed for some existing structures such as Paterson Hall. For renovations, the architects can use the scans of the existing structures for developing renovation plans, saving time and money.

G. Nower added that part of Carleton's BIM strategy is to incorporate the data from designs, creating a more efficient maintenance program.

A member asked if there was a risk associated with the data being in a particular system. M. Monreal responded that once the data is acquired, it can communicate with any other software, and it is not limited to one piece of software or licence. He added that Carleton is the owner of the data.

A member commented that the availability of the data could help with insurance costs.

A member asked when is the expected endpoint for data collection, what that would look like, and how long they expect it will take to get to that point. G. Nower responded that along with GIS, Carleton is planning a multi-year implementation. Patterson is the pilot for the project and all new construction is being done in the BIM model but it will take a few years to roll out.

5.4 <u>Ongoing Capital and Deferred Maintenance Project Status Report</u>

An executive summary was circulated in advance.

G. Nower provided a verbal update on the $228 million in projects currently underway on campus, which included:

- New Student Residence – structural work is completed to level 9, masonry work has started on the lower levels, and electrical work is underway;
- Paterson Hall – project has been awarded to the consulting team and has been scanned for BIM;
- P9 Parking Garage – site services will be relocated in Fall 2023 to facilitate the demolition; and
- Teraanga Commons Dining Hall Expansion – the contract has been issued and work will be starting shortly.

He reviewed some of the upcoming Capital Renewal and Deferred Maintenance Projects for 2023/24, highlighting elevator modernization condition assessments across campus which will include an app for accessibility. Other improvements include the main quad east stair rehabilitation and tunnel improvements.

6. OTHER BUSINESS

There was no other business arising.

7. IN-CAMERA SESSION

An in-camera session was held.

8. ADJOURNMENT

There being no further business, it was moved by M. Main and seconded by A. Keung to adjourn the meeting at approximately 11:11 am. The motion carried unanimously.

Minutes of the 317th Finance Committee
Thursday, November 16th, 2023 at 12:30 p.m.
Richcraft Hall Room 2440R

Present:	A. Hamdani (Chair)	K. Furlong (Virtual)
	P. Dion (Vice-Chair)	S. Mingie
	J. Tomberlin (Interim President)	J. Nelson
	B. Creary	P. Smith
	G. Farrell	C. Tessier
	J. Camelon (Virtual)	
Staff:	S. Blanchard	K. Mann
	L. Dyke	A. Marcotte
	A. Goth (Recording Secretary)	C. McKenzie
	R. Goubran	J. Mihalic
	L. Goudie	G. Nower
	S. Levitt	K. Solomon
	P. Leland	A. Urquhart
	N. MacDonald	N. Afouxenidou

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1. CALL TO ORDER AND CHAIR'S REMARKS

The meeting was called to order at 12:30 p.m. The Chair acknowledged the Algonquin Nation's traditional and unceded territory that members have gathered upon for the meeting. He welcomed Committee members and Carleton's executive and finance team to the meeting and reviewed the meeting protocols.

2. DECLARATION OF CONFLICT OF INTEREST

The Chair asked if any members needed to declare a conflict of interest regarding any of the items on the agenda. None were declared.

3. APPROVAL OF AGENDA

The agenda was circulated in advance. It was moved by S. Mingie and seconded by C. Tessier to approve the agenda for the 317th meeting of the Finance Committee, as presented. The motion carried unanimously.

4. APPROVAL OF THE MINUTES AND BUSINESS ARISING

4.1 Minutes of Previous Meeting

The minutes of the 316th meeting of the Finance Committee were circulated in advance.

It was moved by S. Mingie and seconded by C. Tessier that the minutes of the 316th meeting of the Finance Committee be approved, as presented. The motion carried unanimously.

4.2 Business Arising

There were two items under business arising.

The first action item was a request for a calculation of the impact on the budget of a cap on international student enrolment and for an accompanying financial mitigation plan. S. Blanchard, Vice-President (Students and Enrolment), advised that historically, Carleton has had slow, steady and diverse international growth. She advised that 15% of Carleton students are currently international while the overall Ontario university sector is at 18% and the colleges are close to 30%. If there is a cap, it would be on incoming students, not students that are already in Canada and is not likely to be a "one-size-fits-all" cap. For Carleton, if the cap was a decrease of 1%, bringing the amount down to 14%, this would translate to an approximately $300,000 decrease in first-year tuition fees. Carleton is planning for conservative growth of 2% per year for international student enrolment. A competitive analysis will be conducted of Carleton's international tuition fees, balancing reputation and affordability.

A member asked if Carleton should change its strategy given geo-political tensions, specifically those with India. S. Blanchard responded that in its international strategy, Carleton is always looking to diversify with new markets, bringing in two or three new markets every year.

A member asked if there was any discussion on caps to international tuition fees. S. Blanchard responded that there has not been any discussion of caps on international tuition fees.

The second action item was a request for an explanation for the anticipated expenditure of the $137 million in the 2023/24 fiscal year. A response was provided under item 6.5.

5. ITEM(S) FOR APPROVAL

5.1 Framework for the 2024/25 Operating Budget

An executive summary and presentation were circulated in advance.

J. Tomberlin, Interim President and Vice-Chancellor, introduced the item providing some broader context for the framework. The Ministry of Colleges and Universities (MCU) released the report from the Blue-Ribbon Panel and the Council of Ontario Universities (COU) called a meeting of executive heads to discuss the report. The links to the full report and the government's initial reactions will be circulated to the Board. The report includes a recommendation of a 5% increase in domestic tuition for 2024/25 followed by 2% annual increases for 2025/26 and 2026/27. A 10% increase in the government grant is recommended for 2024/25 and then for the following two years, the greater of either 2% or CPI going forward. If both of the recommendations were to be accepted by the government, it would translate to an additional ongoing funding of just over $9 million in tuition and $17 million in grant for 2024/25. As this is a recommendation and not confirmed policy, Carleton will continue to conservatively budget with the assumption of no change in funding from the Province of Ontario. If there is no change, there would be a need for base budget cuts of 4.2% per year for the next five years. If the Panel recommendations become policy, Carleton would still require approximately 1.7% per year base budget cuts each year for the next five years. At this time, management is planning on presenting a balanced operating budget; however, expenditures will continue to exceed revenues. If pressures continue, Carleton will experience a growing structural budget deficit which will eventually begin to compromise Carleton's ability to deliver quality programs.

P. Rankin, Provost and Vice-President (Academic), introduced N. Macdonald, Associate Vice-President (Institutional Research and Planning) and J. Mihalic, Director, Planning and Budgeting. She provided a presentation on the framework for the 2024/25 Operating Budget. Linked planning exercises to the Framework included the Strategic Integrated Plan, the Strategic Mandate Agreement metrics, the 2024/25 Operating Budget, and the Resource Planning Committee (RPC) plans. She reviewed the Carleton Planning Framework cycle highlighting the change this year where a Strategic Integrated Planning Committee (SIPC) forum with the broader leadership team in November. The theme for the year is "progressing on strategic priorities during times of financial constraint".

Areas of focus for the budget plan include undergraduate recruitment and retention, program refresh and the development of new programs and online options, focusing on student mental health and employability, as well as process modernization.

A number of challenges in maintaining a balanced operating budget were identified. These included pressures form the tuition freeze, international markets, changes in domestic enrolment patterns, the Strategic Mandate Agreement (SMA3) and corridor model for funding, deferred building and infrastructure maintenance, rising capital project costs, labour agreements and expectations exiting Bill 124, and rising IT needs. There are also opportunities, such as the return to in-person recruitment, reputational enhancement efforts, program innovation and renewal, internally restricted reserves, and the recommendations just released from Blue-Ribbon Panel.

At this time, management projected a 3% base expenditure budget cut for 2024/25. The aim is to reduce discretionary spending, leverage the significant amount of appropriated reserves within the units to maintain operations, and invest in new growth. The centrally maintained reserves will need to be drawn upon to maintain operating service levels.

Enrolment was projected to be flat over the next few years, but there is expected growth in the population of 18-year-olds in Ontario.

Looking ahead, the University cannot cut its way out of financial pressure. Revenue growth is required. Increased revenue can be sought through prioritization of recruitment, enrolment, and retention at the undergraduate level. It was also noted program innovation and renewal is a necessity. Carleton is planning for financial constraint in the coming years. In response, it is expected that base budget cuts will be applied to all RPCs for 2024/25. This will require rationalizing services, finding efficiencies, and automating processes. Financial constraints should not discourage longer-term planning and opportunity seizing. Carleton will continue to encourage initiatives aimed at improving recruitment and incubating new programming.

A member asked about the 3% reduction and what is the across-the-board impact, and how those cuts are selected. P. Rankin responded the 3% cut can be absorbed as many cuts are through retirements and resignations. Going forward, it will be more challenging if there is not an increase in funds from government and increased tuition.

There are only three universities in Ontario that have not indicated a deficit budget and universities are dependent on their reserves. Other universities are signalling to their communities and the government that they are using their reserves. The government is recommending some efficiencies, which could turn into more reporting and possible loss of autonomy. COU will be making a statement that universities already do a lot of collaboration across the sector including the Ontario Universities' Application Centre and pooled procurement, facilitated by COU.

It was moved by C. Tessier and seconded by S. Mingie to recommend to the Board of Governors, to approve Carleton's operating budget planning framework for fiscal year 2024/25, as presented. The motion carried unanimously.

5.2 Borrowing Resolution - RBC Credit Agreement

An executive summary was circulated in advance.

L. Dyke, Vice-President (Finance & Administration), provided an introduction. When Carleton entered into the credit agreement for the Frontenac Residence in 2008, it hedged the variable rate agreement with a fixed interest rate swap. In addition to the normal requirement to renew these agreement every five years, the basis for pricing these agreements has been changed and therefore, Carleton is seeking approval from the Board for a renewed agreement.

A. Marcotte, Associate Vice-President (Financial Services), advised that currently the University has three loan agreements with the Royal Bank of Canada (RBC) for three of the student residences. These agreements are swaps where the variable rate loan is exchanged for a fixed rate. Every five years, the variable portion of the swap agreement must be renewed. It was due for renewal in August 2023 and at that time, the Executive Committee approved an extension due to an upcoming change where new language was not yet available for contracts. The updated language for the Canadian Overnight Repo Rate Average (CORRA) is now available. Therefore, Board approval to renew the loan with respect to the Frontenac Residence of $10.5 million is required. The new variable component of the loan will increase 22 basis points to 59 basis points or an all-in rate of 5.15%, an increase of $22,000 a year.

The term of the renewal will be tailored such that it runs until August 2026 rather than the normal five-year period so that it will be in line with the other two loan agreements with RBC.

It was moved by K. Furlong and seconded by P. Dion to recommend to the Board of Governors, to approve the borrowing resolution with reference to the Frontenac Residence credit agreement with the Royal Bank of Canada, as presented. The motion carried unanimously.

6. ITEM(S) FOR INFORMATION

6.1 Update on the 2023/24 Operating Budget

A presentation was circulated in advance.

L. Dyke provided an introduction advising that despite some small variances, the University is on track for a balanced operating budget.

A. Marcotte reiterated that no significant variances in the key revenues and a balanced budget is expected. A small shortfall in tuition is expected noting the challenges for international tuition. No changes are anticipated in the operating grant or investment income, though there may be some positive variances from equity investments. Minor negative variances are expected in some of the key university expense budgets, while some savings may result in the contingencies.

The estimate for the 2023/24 operating budget included a $0.5 million shortfall in tuition revenue, a $0.5 million overrun in utility and fire maintenance work, and $0.3 million in bad debt. An estimated $1.3 million is expected in contingency savings which will offset the $1.3 million in negative variances to maintain a balanced budget.

A member inquired about the tuition and the reasons for the drop in international tuition revenue. S. Blanchard, Vice-President (Students and Enrolment), responded that the drop in expected revenue is mostly attributed to the drop in enrolment from students in African countries due to difficulties getting visas. Carleton is continuing to work with these students for future semesters.

6.2 Update on the 2023/24 Ancillary Budget

An executive summary and presentation were circulated in advance.

S. Blanchard introduced K. Mann, Controller, and L. Goudie, Assistant Director, Financial Accounting and Reporting and provided a presentation on the 2023/24 Ancillary Services budget update.

With the exception of Parking Services, the Print Shop, and the Bookstore, ancillary services has returned to pre-pandemic levels and the majority of the pandemic-related deficits have been eliminated. As a result of the decline in the students from the Greater Toronto Area and international students, the demand for first-year accommodations decreased. Housing Services was able to convert some of the double rooms to single rooms for upper-year students and Housing is still expected to be in a surplus for 2023/24 with occupancy at 97%. Housing is looking at the needs for 2024/25 and a survey will be sent out to students to gain a better understanding of how many spots will be available to upper year students. The slight reduction in students in residence also impacted Dining Services, reducing revenues by approximately $160,000. Athletics is on track to meet the budget expectations, with revenue generation through camps, programs, and rentals. Parking is projecting a surplus for 2023/24 which will help to reduce their accumulated deficit and there is a plan to increase parking fees over the next few years. There is high demand for Mental Health Services and they will meet their budget expectations and an additional counsellor has been brought in to help meet the demand.

The consolidated results and projections included the changes from the 2023/24 projections and the year-end surplus is expected to be higher than initially projected. Some expenses for renovations do not appear in the 2023/24 budget as they have been deferred to the following year. Overall, the accumulated surplus from the ancillary units will be projected as $39 million. Ancillaries are on track for a strong year and the smaller ancillaries are being monitored closely. Coordination and collaboration is taking place in the units across the University. A deferred maintenance five-year plan will be included in the budget which will return to the Finance Committee at its February 2024 meeting.

6.3 Pension Plan Report

An executive summary and report were circulated in advance.

Carleton’s pension is a trust that is administered on behalf of its members, which has a current market value of $1.6 billion and has delivered returns in excess of the benchmark.

A. Urquhart Executive Director, Pension Fund Management, provided a presentation on the plan as of the fiscal year-end of June 30, 2023. He reviewed the governance of the plan, which requires that the plan have a sponsor and an administrator. Administration of the plan is by the Pension Committee which has eight members, including a Board of Governors appointee. Recommendations from the Pension Committee are submitted to the Finance Committee for review and are subject to the approval of the Board of Governors. All parties have a fiduciary duty to act with the highest standard of care and in the best interests of all Plan members.

Carleton’s pension is regulated by the Financial Services Regulatory Authority of Ontario (FSRA) to ensure compliance with the *Pension Benefits Act* (PBA), which requires an actuarial valuation every three years. The solvency ratio and going-concern ratio were reviewed formally last fiscal year. The solvency ratio has benefited from the current high interest rates and the plan is above the 85% threshold. The going-concern ratio assumes the plan is operated in perpetuity and the discount rate is formulated based on the expected return on assets. In addition, a Provision for Adverse Deviations (PfAD) must be calculated and fully funded, Carleton's PfAD is 10% of actuarial liabilities. Between June 30, 2022 and June 30, 2023, Carleton's going-concern ratio decreased from 106% to 104% and the solvency ratio increased from 108% to 119% over the same timeframe.

An update on the plan's return as of June 30, 2023 included a total one-year (net) return of 11.8% compared to the benchmark of 11.1%. The majority of Carleton's assets had outperformed the benchmark with 0.7% value add. The total return (net) of the plan over 4 years was 6.7% and 10 years was 8.2%. The asset mix did not change over the past year. Real estate was added to the Statement of Investment Policies and Procedures asset mix but no capital had been deployed yet. The net asset value grew from just under $1 billion in 2014 to $1.6 billion in 2023.

A member commented that the Plan is solvent under both metrics and beating the benchmarks and asked if there was anything on the radar that should be an area of concern. A. Urquhart responded that the deficits of the US Federal Government is a concern as interest rates continue to increase. He also noted the high level of Canadian consumer debt and its impact on the market.

6.4 Responsible Investment Report

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

L. Dyke introduced the item advising that it was Carleton's first report on the Responsible Investing (RI) policy for the endowment and non-endowed funds approved in March 2022.

A. Urquhart advised that the report contains the University partnerships with RI coalitions, external investment manager commitments to climate change, proxy voting and engagement results, climate change metrics, and case studies.

As per Carleton's commitment to RI, the University participates in leading investor collaborations and coalitions as it is more effective to work with other instutions to push RI matters, leveraging organizations such as the United Nations Principles for Responsible Investing. Carleton's pension plan is also a member of the Pension Investment Association of Canada and the University Network for Investor Engagement. There were also commitments made for Carleton's external investment managers and 100% of Carleton's external investment managers are signatories to the United Nations supported Principles for Responsible Investment. In addition, 80% of managers formally support the Task Force on Climate Relations Finance Disclosures, and 40% are members of the Net Zero Asset Managers Alliance.

External investment managers vote as Carleton's proxies in accordance with the RI policies. Managers are holding companies long-term to engage on Environmental, Social, and Governance (ESG) objectives and promoting best practices. Engagements are observed throughout the year on carbon emissions, business ethics, and supply chain management, and other relevant issues. The Pension Fund Management office monitors external investment manager progress on ESG through an annual questionnaire. As part of the University's commitment to decarbonization, the Endowment and Non-endowed Funds have set a target for the portfolio carbon footprint to reach net zero by 2050. An interim target was set to achieve a 50% reduction in weighted average carbon intensity by 2030 using 2019 as a baseline. This target is for the Scope 1 and 2 emissions of the public equity holdings. He noted the distinction between bringing down the carbon footprint of the portfolio versus real world reductions.

The priorities for Carleton's RI include ESG-related issues like climate change, Indigenous Rights, Human Rights, Diversity, Equity, and Inclusion as well as mental health and wellness. RI initiatives related to these priorities will be further developed over time. The inaugural report is a baseline for progress.

A member asked if the report is subject to audit for deficiencies or tracking. A. Urquhart responded that they had ESG Global Advisors support and MSCI provide the third-party data; however, the report is not audited.

6.5 Ongoing Capital Projects Budget Status Report

An executive summary was circulated in advance.

G. Nower, Associate Vice-President (Facilities Management and Planning), provided an update on the $228 million in projects currently underway on campus, which included:

- New Student Residence – structural work is completed to level 9, masonry work has started on the lower levels, and electrical work is underway;
- Paterson Hall – project has been awarded to the consulting team and has been scanned for BIM;
- P9 Parking Garage – site services will be relocated in Fall 2023 to facilitate the demolition; and
- Teraanga Commons Dining Hall Expansion – the contract has been issued and work will be starting shortly.

He reviewed some of the upcoming Capital Renewal and Deferred Maintenance Projects for 2023/24, highlighting elevator modernization condition assessments across campus which will include an app for accessibility. Other improvements include the main quad east stair rehabilitation and tunnel improvements.

L. Dyke addressed the question from business arising and the amount of anticipated spending remaining for the year was estimated as $65 million.

A member commented that at the Building Program Committee there was a discussion around future deferred maintenance funding commitment and this item was added to the work plan for April 2024.

6.6 Ministry of Colleges and Universities Financial Accountability Framework for Ontario Universities

An executive summary and presentation were circulated in advance.

L. Dyke introduced the item. The Ministry of Colleges and Universities (MCU) has established a framework and technical manual for monitoring the financial health of Ontario universities. It is similar to the metrics that have been used by the Council of Ontario Universities (COU) which are regularly reported to the Committee. The MCU has decided to implement the framework this year based on 2022/23 data. Universities will need to submit action plans of various types depending on their metrics.

A. Marcotte advised the Ministry worked directly with the Financial Sustainability Metrics Working Group under COU. The framework uses all of the metrics that COU has traditionally reported on plus three new metrics around debt, working capital, and credit rating. The first year of implementation will be the 2023/24 fiscal year using 2022/23 data and the most recent credit rating.

The framework is broken into nine components, categorizing the metrics into four buckets: liquidity, sustainability, performance, and credit rating. Each metric has a threshold and where the metric lands in comparison to the threshold determines a score of 0, 1, or 2, with 0 being the aim. The average of the scores within a category determines what the action plan rating is for that category. The overall plan for an institution is equal to whatever its highest action rating is in any of the four categories. The thresholds were outlined for the metrics and how those translate into the category of action.

The requirements of the No, Low, Medium, and High action plans were reviewed, the communications necessary, steps, and timelines that must be taken in accordance with the assignment. Before any action plan is finalized, qualitative factors provided in the university's initial response to the Ministry will be considered. Most Ontario universities are attracting some kind of action plan.

A comparison of Carleton's scores with University of Ottawa, Queens University, and University of Guelph was presented. Based on the data, Carleton ranks well in the liquidity and sustainability categories (0 and 0.25 respectively) with an AA (low) credit rating; however, Carleton had a 1.5 performance rating which resulted in an initial Medium Action Plan.

The COU Working Group is continuing its discussions with the MCU to ensure the new indicators around debt and working capital are more applicable. There is no smoothing mechanism and the metrics are a snapshot in time rather than showing a trend.

L. Dyke added, leaving aside qualitative assessments, Carleton would fall into the Medium Action Plan category due to its deficit on a consolidated basis, which stems from using past savings. A Medium Action Plan means submitting an internal recovery plan with multi-year budget and cashflow projections and reporting every six months until Carleton is in the Low or No Action category. For benchmarking purposes, only three out of 20 universities have no action plan requirements. Province-wide, there are five universities in the High Action category, four in the Medium, and eight in Low. She emphasized that this is early days and that the Ministry's technical briefing has not yet been provided. The MCU has indicated that there will be some qualitative assessment before they decide on action plans but the assessment's weight is not yet known.

A member asked if this presentation would also go to the Audit and Risk Committee. A. Goth, University Secretary, responded that this was going to go to the Executive as part of the Finance Chair's update. S. Orsini, President and CEO of the Council of Ontario Universities, has been invited to speak to the full Board in the closed session at the December 5, 2023 meeting and will speak to the metrics.

A member noted the MCU's response to the recently released Blue-Ribbon Panel and that universities should be operating as efficiently as possible and asked if there are some tie-ins from the reporting metrics and what this could mean for any future changes. L. Dyke responded that the Minister's statement includes that they want to see some evidence of action on efficiencies before they consider giving universities more funds. She noted that finding new efficiencies is increasingly challenging.

7. OTHER BUSINESS

No additional business was brought forward.

8. IN-CAMERA SESSION

An in-camera session was held with the President and University Secretary.

9. ADJOURNMENT

There being no further business, the meeting adjourned at approximately 2:20 p.m.

Carleton University

BOARD OF GOVERNORS: REPORT

To:	Board of Governors	**Date of Report:** 10 January 2024
From:	Chair, Building Program Committee	**Date of Meeting:** 6 March 2024
Subject:	Carleton Energy Master Plan Update & GHG 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

The original goals of reducing our scope 1 (direct) and scope 2 (indirect) emissions by 50 per cent by 2030 and achieve carbon neutrality by 2050 have not changed but the approach to reaching them has evolved.

In 2023, the focus was on developing low capital investment projects that would reduce Carleton's green house gas emissions and our energy footprint. As such, we have re-evaluated the original plans and identified opportunities for carbon reduction through smaller localized projects and some larger district-wide projects. These projects range from converting from natural gas water heating to utilizing air source heat pumps to providing large electric steam boilers within the central heating plant, along with our conventional lighting and HVAC projects.

To fund these projects, we are looking at reducing our peak electrical demand (and costs) through the use of large battery storage system via a zero capital, shared-revenue, minimal risk model that could generate up to $8 million in savings over an 11-year period. We are also looking to prepare a Request for Proposal (RFP) to develop an Energy Savings Company (ESCO) Projects. These projects arrange financing to save and reduce energy, operational and maintenance costs. The energy savings are used to payback the capital investment over an agreed payback period. These savings could be used to fund carbon reduction projects and used as seed funding for a revolving fund.

Looking ahead to the 2030 goals, we plan to incorporate our sustainability goals into large capital projects such as Loeb and Paterson Hall building renewals. In addition, we will continue to work with partners across campus to reduce energy and carbon and to support further planning towards the next energy master plan in 2026.

4.0 INPUT FROM OTHER SOURCES

This report sourced input from Facilities Management and Planning (FMP) personnel.

5.0 ANALYSIS AND STRATEGIC ALIGNMENT

The Energy Master Plan update provides a broad outlook of where Carleton stands today on our carbon metrics and what we need to achieve over the following years to reach our goals. This update aligns with outcomes as mentioned within the 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 and objective. Failure to achieve sustainable goals as established by the university could be a strategic and reputational risk. In addition, failure to reduce carbon footprint could result in higher energy costs through carbon taxes and energy consumption costs. The risk is mitigated by implementing sustainability goals and monitoring their progress.

8.0 REPUTATIONAL IMPLICATIONS AND COMMUNICATIONS STRATEGY

Communications about Carleton's progress on sustainability its achievements is supported by University Communications and the Assistant Director, Strategic Initiatives and Communications (Finance and Administration), in collaboration with the Sustainability team.

9.0 OVERALL RISK MANAGEMENT ANALYSIS

	VERY LOW	LOW	MEDIUM	HIGH	VERY HIGH
STRATEGIC	☐	☐	☒	☐	☐
LEGAL	☐	☒	☐	☐	☐
OPERATIONAL	☐	☐	☒	☐	☐
TECHNOLOGICAL	☐	☐	☒	☐	☐
FINANCIAL	☐	☐	☒	☐	☐
REPUTATIONAL	☐	☐	☒	☐	☐

Overview of Energy Master Plan (EMP)

2021-2026

Sustainability
CARLETON UNIVERSITY

Carleton
UNIVERSITY

EXECUTIVE SUMMARY

OVERVIEW OF ENERGY MASTER PLAN (EMP)

Carleton University's Energy Master Plan (2021-2026) has a clear vision and objective – to develop a utility strategy for the campus to become carbon neutral by 2050. Building upon the university's previous energy master plans and the successful results of the initiatives implemented at various levels of the campus, this Energy Master Plan takes a holistic view that will transform the campus' existing utility infrastructure to a low-carbon system. The master planning process considers and responds to the campus' existing utility infrastructure conditions, future capital development plan, policies, programs, other strategic plans, and key performance drivers. The development of this plan was an iterative, collaborative process with key inputs from the university's Facilities Management and Planning (FMP) team, as well as professors and researchers. This plan outlines a carbon neutral strategy for the campus, identifies action items in the short and long-term, and provides an implementation framework that all reinforce performance reporting. This holistic roadmap will support the campus in transforming its utility infrastructure system and provide increased reliability and safety to its operation, to enable the university to continue its academic and research excellence and achieve its carbon reduction goals to becoming a carbon neutral campus by 2050.

OBJECTIVES AND GOALS

Carleton University has made a commitment to embedding continuous environmental and sustainable improvement in its operations. To build on our success and to further support these commitments, the university's objectives and purpose for this Energy Master Plan encompass the following:

1. Reduce Carleton University's Environmental Footprint:

- Develop a phased plan to reduce GHG emissions and to meet the Government of Canada reduction targets by 2030 and become a carbon neutral campus by 2050
- Develop a plan to expand current district energy infrastructure to support flexible campus growth
- Utilize innovative generation, distribution and delivery technology to increase efficiency and lower our environmental impacts

2. Reduce Utility Operational Costs:

- Optimize utility operation costs
- Maximize the net economic benefit to Carleton by looking at renewable energy generation
- Propose methods for substantial gains in building efficiency and thermal efficiencies within the production and distribution of building heating and cooling loads

3. Increase Reliability and Safety:

- Increase the system redundancy and resiliency;
- Mitigate the impact of operational failures and interruptions.

The Energy Master Plan is intended to significantly reduce the campus' equivalent carbon emissions by 80% relative to 2005 levels, with the remaining 20% emissions to be offset via purchasing carbon offsets, procuring renewable power purchase agreements, or developing offsite renewable system(s).

Approximately 25,600 metric tonnes of CO_2 will need to be reduced to achieve 80% reduction from 2005 levels, see Figure 1. The Energy Master Plan takes into consideration the campus' direct and indirect equivalent carbon emissions related to utility consumption; it does not include carbon emissions related to transportation and other areas including waste, food and materials.

Carleton has committed to becoming carbon neutral by 2050. By achieving that goal our impact on the environment will be significant as outlined in Figure 2.

As the consumption of natural gas on campus represents over 85% of its carbon emissions, the Energy Master Plan primarily focuses on a utility strategy that completely transforms the existing utility infrastructure on campus to a new low-carbon energy supply system. The utility strategy is to transition the campus away from its legacy gas-based district steam heating system to a low temperature electric hot water system using electric boilers housed in three new nodal plants across the campus. In addition to resulting in deep reduction in carbon emissions, the utility strategy will also provide renewal to the aging existing utility infrastructure, enhancing the system's redundancy and resiliency to support the campus' operations. The nodal plant approach provides greater flexibility in phasing in construction and building transitions. The new low-temperature hot water system also enables greater design flexibility for the university to incorporate a wide range of efficient and renewable energy systems such as geothermal, sewage heat recovery and air source heat pump systems. The proposed utility strategy was selected after an extensive evaluation process which screened then analyzed a long list of technologies and strategies, see Figure 3. The process included the use of a performance evaluation framework incorporating criteria such as carbon emission reduction, costs, and technology integration. This was all done in collaboration with the university's stakeholders.

Figure 1 - Toward Net Zero Carbon

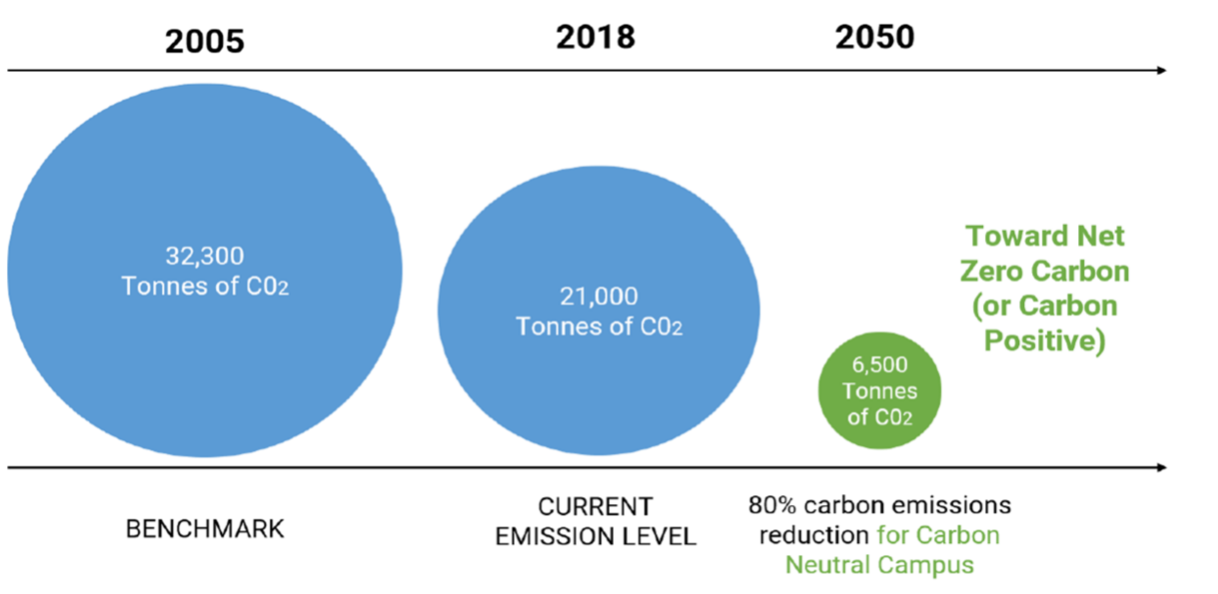


Figure 2 - Impact on the Environment

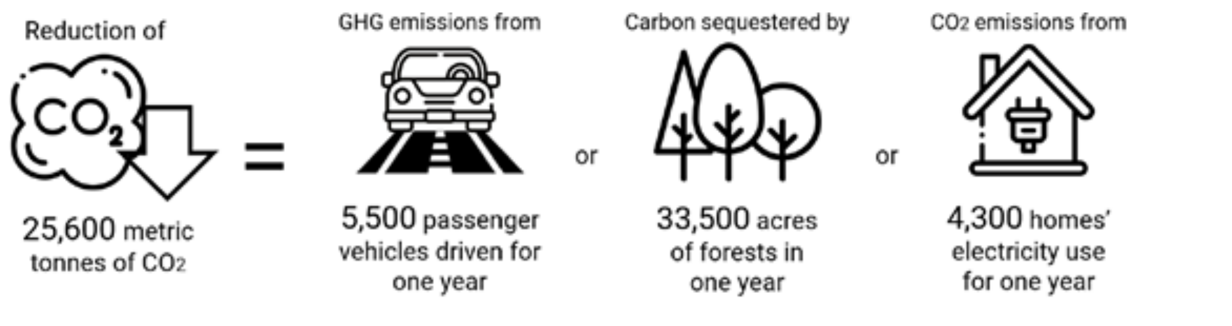
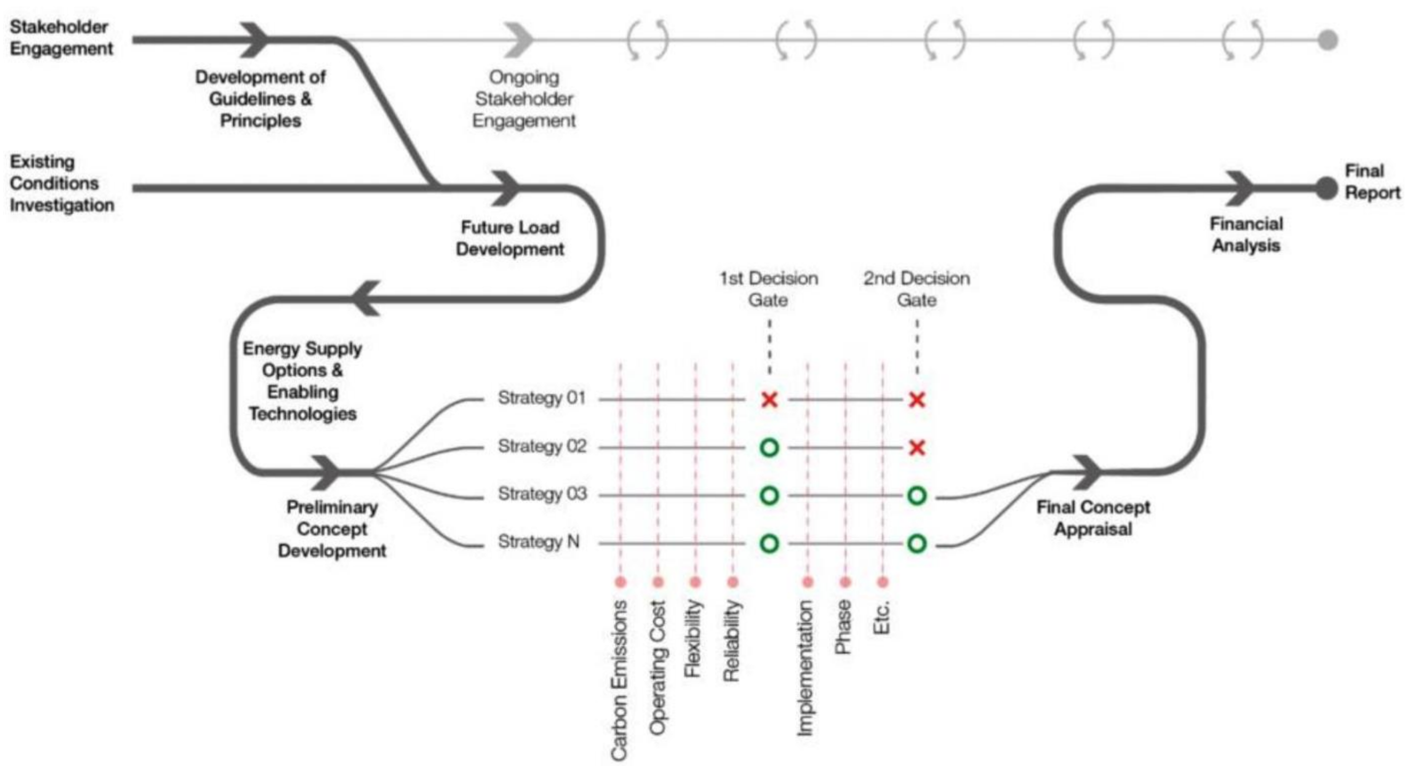


Figure 3 - Master Plan Process



ALIGNMENT TO CARLETON'S EXISTING STRATEGIES

This Energy Master Plan has been developed with consideration and recognition of Carleton's other campus-wide strategies and plans. Some of these strategies include the 2020 Strategic Integrated Plan (SIP), 2018-2019 Sustainability Annual Report, 2018-2021 Energy Master Plan, and the 2016 Campus Master Plan Update.

The SIP highlights three landmarks: the Rideau Canal, Bronson Avenue, and the Pasapkedjinawong (Rideau River) that converge around the campus and are used to frame Carleton University's three strategic directions:

Share Knowledge, Shape the Future
Serve Ottawa, Serve the World
Strive for Wellness, Strive for Sustainability
(see Figure 4)

The Energy Master Plan supports the third strategic direction to promote and implement sustainable practices around the campus and within the university's operations. In alignment with the SIP, the Energy Master Plan is inspired by the Rideau River as a symbol to represent the resiliency and the responsibility required to curb climate change. The 2018-2019 Sustainability Annual Report highlights commitments and accomplishments from Carleton University which shaped this Energy Master Plan. Some notable achievements include 11 Green Globes-certified buildings and a 35 per cent reduction in emissions intensity (since 2009), among others shown in Figure 4. Further information regarding sustainable initiatives adopted at the university can be found in the annual sustainability reports, as well as the Carleton Sustainability Plan. The previous Energy Master Plan (2018-2021) focused on initiatives that evaluated the future use of buildings located on the campus and existing building upgrades. Building on the foundation of the previous Energy Master Plan and to align with Carleton's goals, this new Energy Master Plan provides a holistic approach and strategic directions to reduce the overall campus carbon emissions with a clear focus on the target of 2050 carbon neutrality.

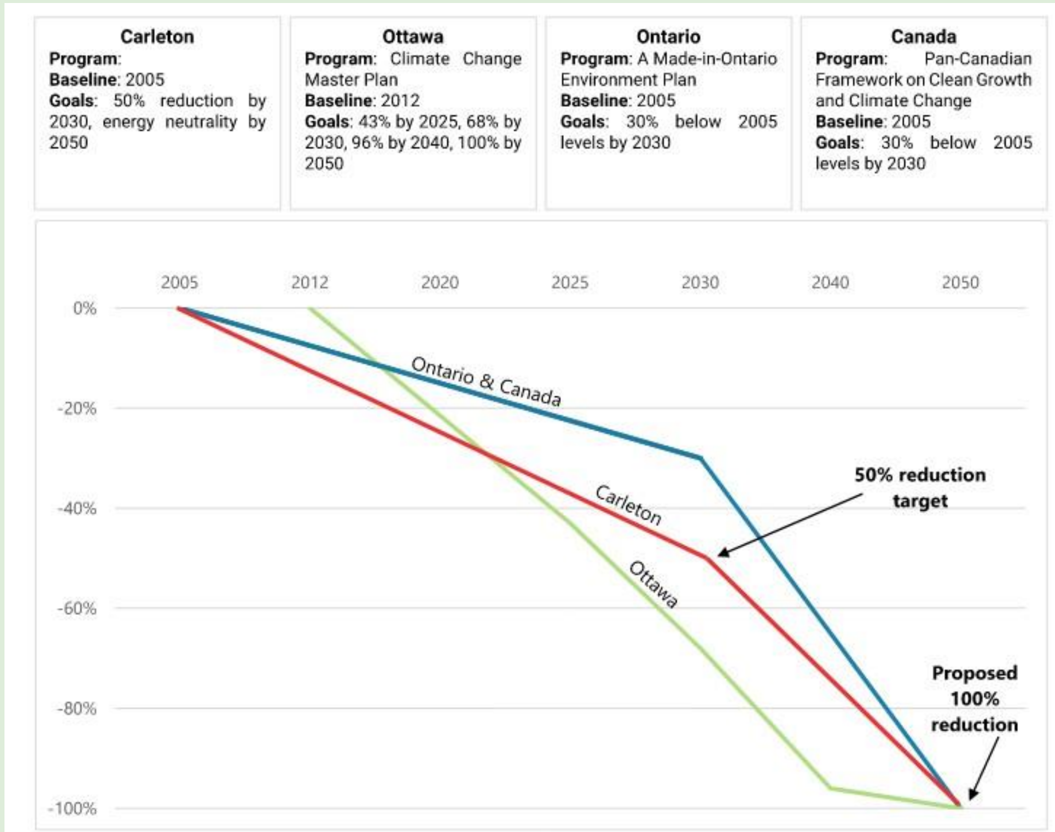
Figure 4 - Carleton's 2020 Strategic Integration Plan

To achieve carbon neutrality, the campus will also require significant energy performance improvements to its existing buildings. In addition to building and infrastructure retrofits, the university will also need to develop more aggressive energy performance standards for future development and onsite renewable system integration.

The Energy Master Plan includes considerations and indicative performance requirement levels for building retrofits and new construction, but further analyses are required to set out definitive targets in these areas.

BENCHMARKING

A benchmarking exercise was completed against local, provincial, and federal policies, as well as peer universities. The exercise focused only on Scope 1 and Scope 2 emissions and target 2030 or 2050 which is in alignment with the Paris Agreement. Carleton University's commitment to be carbon neutral by 2050 is in alignment with many of the policies and universities investigated.



Onsite Renewable Energy 1 Second Nature – The Presidents' Climate Leadership Commitments https://secondnature.org/signatory-handbook/frequently-asked-questions/

In today's continuously changing world with rapid technological breakthroughs and advancement, changing business and economic landscape, and social and geopolitical uncertainties, a long-term strategic plan such as the Energy Master Plan will need to be updated periodically in the future to respond to the unpredictable and inevitable changes. The Energy Master Plan and the proposed climate-neutral strategy were developed based on a holistic evaluation of key performance drivers, benefits, cost and risks. It is a pragmatic, bold step forward for Carleton University and the academic community at-large, paving the way for other similar institutions to respond to the climate emergency and providing a leading academic environment for students and research.

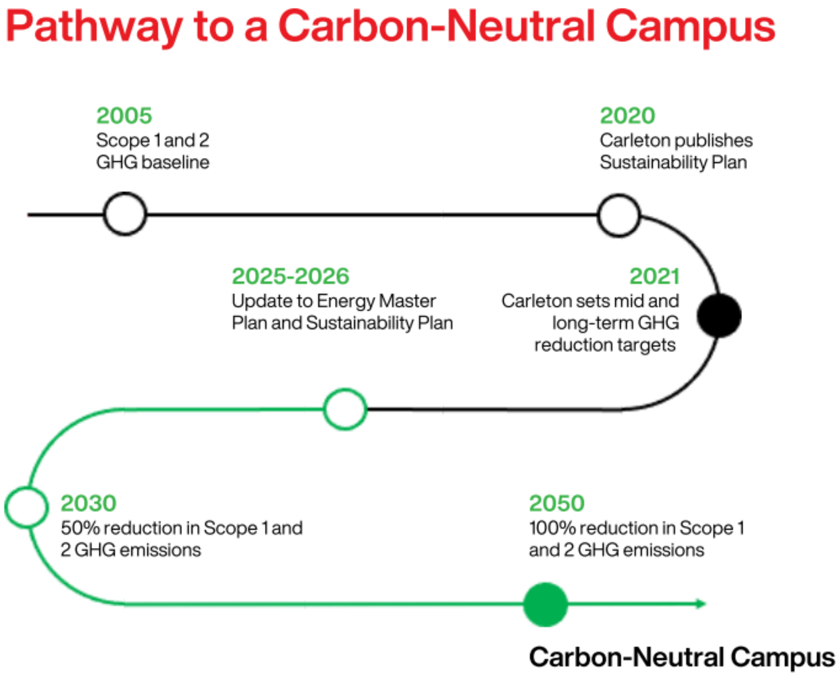
Energy Master Plan Update

Feb. 15 2024

Carleton University

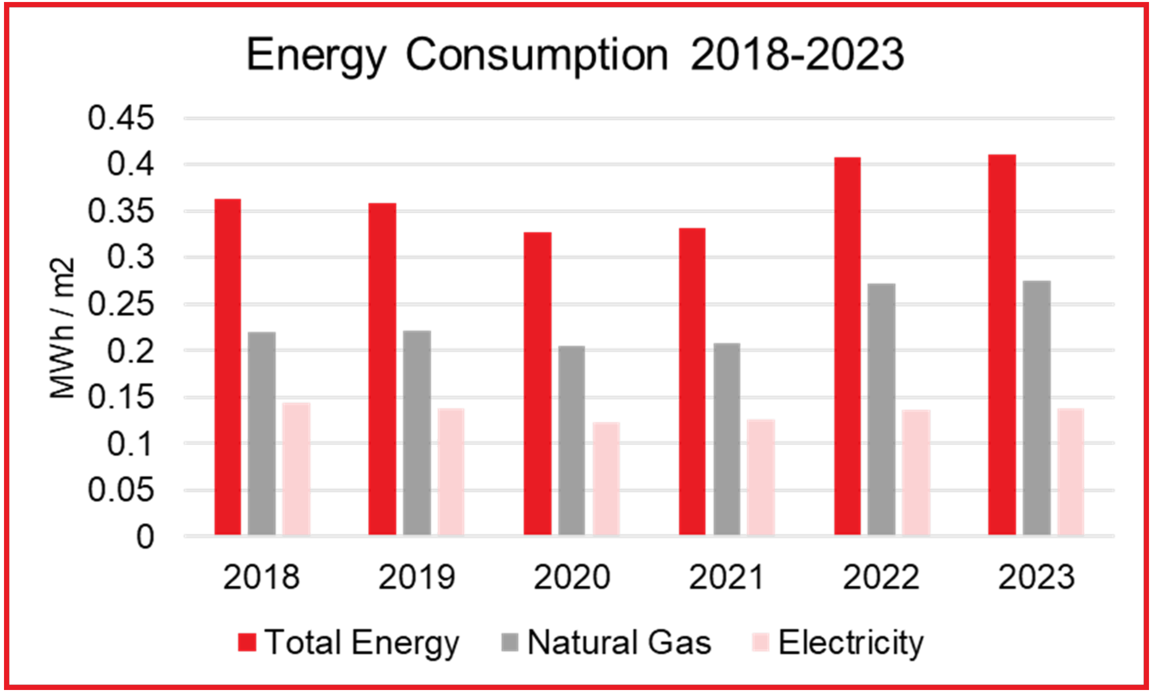
Objectives

- **Reduce Carleton University's Environmental Footprint**
  - Develop a phased plan to reduce GHG emissions and meet the Government of Canada reduction targets by 2030 and become a carbon-neutral campus by 2050
- **Reduce Utility Operational Costs**
  - Optimize utility operation costs through renewable energy and thermal efficiencies
- **Increase Reliability and Safety**
  - Increase system redundancy and resiliency



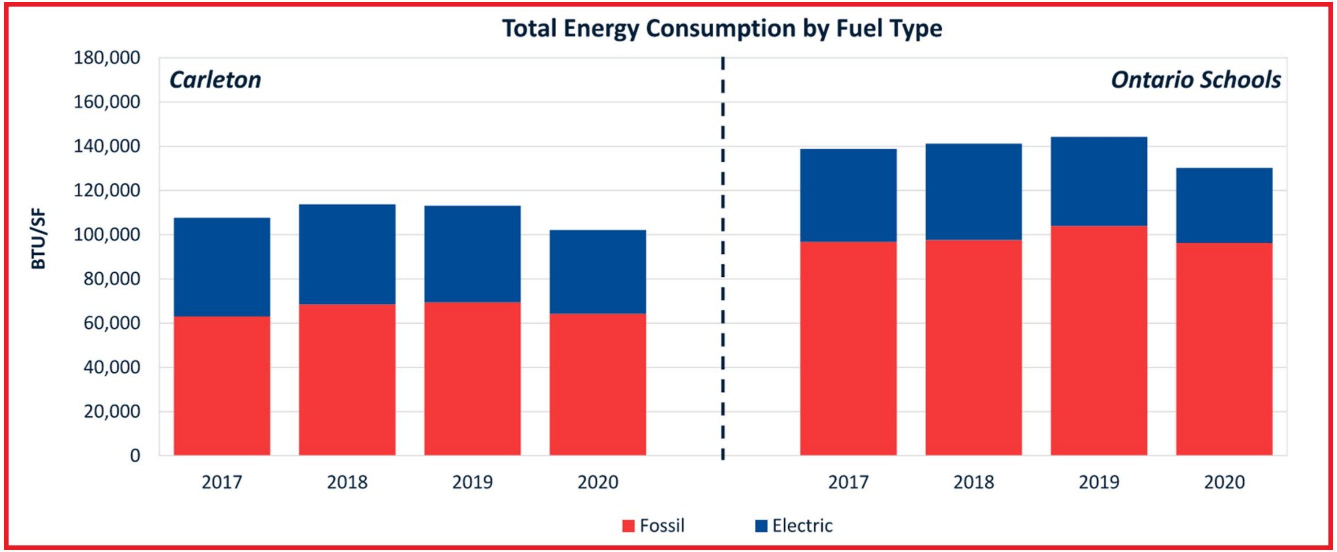
Overview

- Last six years of energy consumption including gas consumption used for Co-gen.
- Electricity consumption is in decline while our gas consumption has increased.



Peer Comparison

- Total Energy consumption at Carleton is **20% below** the Ontario Universities average.



Fossil Electric

* Ontario Schools (Brock, Guelph, McMaster, U of O and Queens)

2023 Projects

Low Carbon Economy Fund Program Submission

- Submitted the Electric Boiler Project to the Decarbonization Incentive Program (DIP) and the Low Carbon Economy Fund Program operated by Environment and Climate Change Canada (ECCC) that will fund up to 75% of the capital cost of the project if approved.

Emission Performance Standard (EPS) Carbon Tax Payment

- Eligible to receive over $1 million for our carbon reduction projects through the EPS Program.

Heat Pumps to Replace Natural Gas Units

- Mid-to-late 2024 replacement of multiple natural gas rooftop units with Air Source Heat Pumps (ASHP), annual savings of over 145 tonnes of CO_2.

Chilled Water Plant Consolidation

- Studies of consolidation of chilled water plants for greater efficiency, less maintenance, more reliability.

Current Lighting Projects Underway

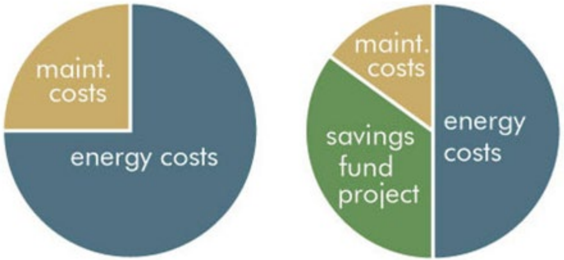
Project	Savings (kWh)	Demand (kW)	Potential Incentives Earned ($)	Potential Savings ($)
Lighting Upgrades	2,011,804	329.9	378,000	221,298
80 tonnes of CO_2 avoided				5,200
Total	2,011,804		378,000	226,498
			Total	$ 604,500

- Some projects have started, and all are to be expected to be finished by 2024.
- Buildings include; Richcraft Hall, Tory, HCI/VSIM, Field House, Ice House, Loeb and St. Patrick's, Azrieli Pavilion

Funding Our Energy Goals

Request for Proposal RFX to develop an Energy Savings Company (ESCO) Agreement

- ESCO Projects develop, design, build and arrange financing for projects to **save energy** and **reduce energy, operational and maintenance costs**.
- Energy savings are guaranteed during the payback period.
- Energy Savings are used to payback the capital investment over an agreed payback period.



Hydro Sub-Station Upgrades the Battery Storage Project RFP is under development.

- The purpose is to reduce our reliance on the electrical grid and generate revenue of approximately $8 million. This is a zero capital project.

Looking Ahead to 2030

- Potential to incorporate solar into façade of Loeb building envelope project.
- Potential for large carbon savings from Paterson Hall renewal project.
- Incorporate solar into roof replacement projects and building envelope projects.
- Continue to work cross-functionally with campus partners to reduce energy and carbon through projects of all sizes.
- Development of a Green Revolving Fund to support future projects.
- Review of further options for next Energy Master Plan in 2026.

BOARD OF GOVERNORS: REPORT

To:	Board of Governors	**Date of Report:** 9 January 2024
From:	Chair, Building Program Committee	**Date of Meeting:** 6 March 2024
Subject:	Ongoing Capital and Deferred Maintenance Projects Status Report	
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 totalling $214,293,926 are currently underway with the value of work completed to December 2023 totalling $89,365,654. Forecasted expenditures will total $124,928,272.

The following updates are of note since the last meeting of the Building Program Committee:

- Schematic design for Loeb Building exterior envelope remediation and replacement was received and the Class C estimate was within budget.
- Trades on site for the New Student Residence include mechanical, electrical, plumbing, masonry and roofing.
- Construction contract was awarded for the Teraanga Commons Dining and Kitchen Expansion project and construction is underway.

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 and Deferred Maintenance Projects Status 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)

- **Regional Aquatics Centre and Wellness Hub**
  Design Start: September 2019 **Schematic Design Completed:** December 2021
  On hold, pending the outcome with City of Ottawa **Completion date: TBD.**
  ***Update:** 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.
FMP has re-engaged the services of the design team to provide schematic design and costing to construct the aquatics and fitness as a stand-alone project. The project team reassembled in January 2024.

- **New Student Residence**
  Start Date: February 2022 **Occupancy:** April 2025
  ***Update:** The New Student Residence project was originally scheduled for construction in 2020 but was placed on hold due to challenges presented by the pandemic. The project was re-started and is being delivered using construction management. All tenders have closed, and the majority have been awarded. Excavation, removal of existing services, installation of new sanitary and storm lines, watermains, hydro duct banks, all ground improvements, concrete, forming and placement are complete. Level 1 masonry is completed, and Level 2 and 3 exteriors are underway. Mechanical and electrical vertical risers on Level 3 to Level 7 are in progress, and masonry walls, corridor and suites have started on Level 1 and Level 2. Trades on site include mechanical, electrical, plumbing, masonry and roofing. 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. Occupancy is still on schedule for April 2025.

- **Loeb Building Envelope Remediation and Replacement**
  Start Date: January 2022 **Completion**: 2027
  ***Update:** A Building Condition Assessment has been completed and submitted to FMP. The Capital Proposal was approved by the Board of Governors on April 12, 2023. A project committee has been formed to oversee the lifecycle of the project.
  Schematic Design and the Class C Estimate were received in December 2023. The Class C estimate is within the approved budget, and the project team has continued into the design development phase.

- **Paterson Hall Retrofit and Renewal**
  Start Date: January 2022 **Completion**: TBD based on business case for chiller plant
  ***Update:** Due to continued negotiations regarding the successful proponents' acceptance of Carleton's contractual Terms & Conditions, the anticipated Design Team contract award is January 2024. Carleton's Building Information Management (BIM) Consultant has completed all interior and exterior scanning, to create a digital model of the building. The primary project objective continues to focus on the replacement of building mechanical/electrical systems, building envelope, as well as assess the possibility of Paterson Hall becoming a Central Chiller Plant that would feed the adjacent buildings. The successful consultant team is responsible to provide three (3) concepts designs and class D cost estimates. Carleton's review and approval of the concept design(s) will lead to schematic design and subsequent execution for the remaining phases.

- **Parking Garage (P9) Demolition**
  Start Date: July 2023 **Project Completion**: October 2024
  ***Update:** The prime consultant has completed a separate design and tender package for a new fiber pathway for the relocation of fiber optic cabling which currently runs within the existing footprint of the P9 Parking Garage. The new pathway is targeted to be completed prior to April 2024, in advance of demolition in May 2024. Due to the unique nature of the project and expertise required, FMP is working with the consultant and Procurement Services to produce a Request for Proposal to acquire a qualified demolition contractor to undertake the project. The close proximity of P9 to the Light Rail Transit (LRT) corridor presents a significant challenge and risk to the project budget and schedule. Ongoing discussions with representatives from the City of Ottawa have uncovered additional work restrictions and requirements that will be imposed upon the project, some of which are dependent upon the operational status of the LRT line but will be planned for based upon the City of Ottawa's best-case-scenario. The demolition contract is expected to be awarded in March 2024, with demolition scheduled to begin May 2024.

- **Teraanga Commons Dining Hall Expansion**
  Construction Start Date: November 2023 **Project Completion**: October 2024
  ***Update:** An expansion to the dining hall in Teraanga Commons is required to accommodate the projected increase in the number of students housed on campus. Tender documents were issued to prequalified general contractors in September 2023 and the contract was awarded in November 2023. Construction of Phase 1 (existing Teraanga expansion) began November 2023 and is expected to be completed in March of 2024. Subsequent phases 2 and 3 will follow with a scheduled construction completion date of mid-August 2024.

Capital Renewal/Deferred Maintenance Projects (alphabetical order) 2023/2024

- **Elevator Modernization – Condition Assessments and Feasibility Reports**
  Start Date: August 2023 **Completion Date:** TBD
  ***Update:** Elevator condition reports for Southam Hall elevator #1, Social Sciences Research Building elevator #1, and MacOdrum Library elevator #1A, and #1B have been received. Based on elevator condition, usage, and operations and maintenance feedback, the priority is the replacement will be Southam Hall elevator #1. Further investigation is being carried out to review improved accessibility options. In addition to the above mentioned elevators, FMP is working with the School of Architecture to engage the services of an Architectural firm to complete a feasibility report to modernize the current elevator and extend the elevator to allow for 5th floor access.

- **Lighting Replacement Program – Year 2**
  Start Date: May 2023 **Completion Date:** April 2024
  ***Update:** April to June 2023, lighting audits were completed in several academic buildings to replace the current lighting with LED lights. Year 2 buildings include Loeb Building, St. Patrick's Building and Richcraft Hall. St. Patrick's Building is complete and the lights have been purchased for Richcraft and Loeb Building. The lighting replacement projects will complement the upcoming HVAC upgrades and building envelope projects in the buildings, and in return will result in energy savings and reduce greenhouse gas emissions. The lighting replacement program supports Carleton's goals as outlined in its Energy Master Plan and Sustainability Plan

- **MacOdrum Library Cooling Tower Replacement**
  Start Date: August 2022 **Completion Date:** April 2024
  ***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 new cooling tower has been installed and final valve connections are being completed. The unit will be commissioned in April 2024 to allow testing under normal operating conditions.

- **Main Quad East Stair Rehabilitation and Tunnel Improvements**
  Start Date: April 2023 **Completion Date:** Fall 2024
  ***Update:** The east main quad stairway requires critical structural repairs. The tunnel immediately below the stairway area shows signs of waterproofing failure and requires full-depth ceiling reinstatement, complete with additional electrical/mechanical upgrades and landscaping reinstatement. FMP has engaged the services of a multidisciplinary design team for design and engineering services, and the project is currently in the design phase. The project is now at 99% design completion and is on schedule to go for tender in winter 2024.

- **Minto C.A.S.E Curtain Wall Replacement – Feasibility Study**
  Start Date: May 2023 **Construction Completion Date:** TBD
  Feasibility report was received by FMP which presented options to repair or replace the curtain wall that is leaking. Upon analysis of the report and costing, FMP is proceeding with the repair option instead of the replacement option.

- **Roof Replacement Program 2023-2024**
  Start Date: May 2023 **Construction Completion Date:** Fall 2023
  ***Update:** The 2023-2024 Roof Replacement Program includes Azrieli Pavilion and Theatre, Tory Building, Tory Building/Nideyinàn building link and Visualization and Simulation Building (VSIM). All the roof replacements are complete, with the exception of one ladder installation at VSIM. Based on roof condition assessments and infrastructure age, the 2024-2025 roof replacement program priorities are Herzberg Laboratories and Human Computer Interaction (HCI) Building.

- **Southam Hall HVAC Upgrades**
  Start Date: July 2023 **Construction Completion Date:** TBD
  ***Update:** Project scope includes the replacement of the supply and return air fans for the existing air handling unit located in Southam Hall. The fans being replaced are approximately 50 years old and are past life expectancy. A mechanical/electrical engineering firm has been engaged and design is at 66%.

- **Tory Building Theatre Enhancements**
  Start Date: June 2023 **Study Completion Date:** Winter 2024
  ***Update:** Project involves seating replacement, lighting upgrades, and a refresh of paint and aesthetics of the space. An architectural firm has been retained to review accessibility options and maximize the number of seats for the theatre. Draft report has been received and shared with stakeholders for evaluation.

- **Tory Building Cooling System Upgrades/ Replacement**
  Start Date: July 2023 **Completion Date:** TBD
  ***Update:** Upgrade of the cooling system centralized within the Tory Building. This chiller provides cooling for the following buildings: Tory Building, Nideyinàn, Architecture Building, Azrieli Pavilion and Azrieli Theatre. The goal of the project is to lower Green House Gas (GHG) emissions, improve energy efficiency, and reduce operations maintenance repairs and resources.
  FMP has received the feasibility option report from the design team and are evaluating the presented options to move forward with design development.

<u>Status Updates of Ongoing Projects from prior years (in alphabetical order)</u>

- **Bronson Substation Replacement Feasibility and Design**
  Design Start: August 2023 **Completion:** TBD
  *Update: 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 study was completed and the project will move forward in phases over two fiscal years. The project is currently in the design phase, with expected tender release in spring 2024. The work is being phased in order to reduce the impact on the Carleton community.

- **Campus Perimeter Security Upgrades**
  Design Start: March 2022 **Construction Completion:** Group 1 – Spring 2024
  ***Update:** 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. Three buildings (Group 1) have been awarded for construction: Herzberg Building, Azrieli Pavilion and Dunton Tower. The Dunton Tower work also includes full replacement of the second-level curtain wall, and modifying the tunnel entrance ramp to improve accessibility. The installation of the electrical infrastructure for card access and automated security at Herzberg has been completed. At Dunton Tower, the concrete work for the tunnel level ramp has been completed in advance of the replacement of the tunnel entrance door and frame in February 2024, before moving to the remaining access locations and second-level curtain wall. Material manufacturing and delivery lead times continue to be a challenge for the project. The next buildings planned for implementation are Azrieli Theatre, Southam Hall, Tory Building and Steacie Building.

- **Campus Sanitary Sewer/Storm Sewer/Watermain Infrastructure Program (Year 2)**
  Start Date: November 2022 **Project Completion:** Fall 2023
  ***Update:** This project is comprised of two components:
  1. A trenchless sewer lining and maintenance access rehabilitation project
  2. Rehabilitation of sewer and watermain structures (replacement of faulty valves)

  Both projects are complete, and have significantly improved the condition of Carleton's sewer and watermain infrastructure**.**
  The next project as part of the program (Year 3 of 5) is the replacement of the approximately 50-year-old watermains on Campus Avenue, which involves replacement and consolidation of the existing watermains, with a single new 406mm diameter watermain to improve reliability.

- **Central Heating Plant Generator Replacement**
  Start Date: October 2021 **Construction Completion**: TBD based on Enbridge's review
  The new generator has been fully installed, but not yet connected to the building panel. There was a deficiency found in the gas pipe configuration must be addressed before Enbridge gives their approval for using the generator, which has delayed commissioning of the unit. The exhaust pipe has been removed safely.

- **Dunton Tower Fire Alarm and Smoke Control Modifications Start Date:** July 2022 **Construction Completion**: Winter 2024
  ***Update:** The purpose of this project is to enhance the fire alarm and ventilation systems to improve smoke management in the stairwells. Site conditions delayed final commissioning, and the completion date has been pushed to winter 2024.

- **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. The updated testing and maintenance tender package will be issued in winter 2024, and work will commence in spring 2024.

- **Indigenous Learning Place**
  Re-Start Date: TBD **Completion Date:** TBD
  *Update: Design is underway and the project team is working on updating the schedule and budget.

- **St. Patrick's Building Art Gallery - HVAC Upgrades**
  Start Date: Summer 2023 **Construction Completion:** Winter 2024
  ***Update:** This project involves upgrades to the mechanical systems with replacement of the air handling unit, boilers, humidifiers and chillers. The replacement of the mechanical equipment will result in building performance improvements, and allow maintenance and operations the ability to maintain the proper humidity levels that the Art Gallery requires to operate. All long lead equipment has been ordered, and on-site work is planned to start in March 2024.

- **Tunnel and Campus Ventilation Upgrades**
  Start Date: January 2022 **Construction Completion:** Tunnel **-** June 2022, Buildings – Fall 2023
  ***Update:** The ventilation upgrades in the tunnels, Andrew Fleck Childcare Centre and Loeb Building are complete. Air balancing reports for Mackenzie Building have been received and are being reviewed by the consultant team. Upon acceptance of the reports, the project, and program will be deemed complete.

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, and in multi-year projects, to account for cost increases over time. Now that the campus is back to in-person learning, some projects may require after-hours work, or a phased approach to minimize occupant disruption, which may result in higher construction costs and longer construction schedules.

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, and unknown site conditions. 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 and construction delivery model, ensuring proper contingencies, as well as risk planning helps to mitigate these risks. Completing intrusive testing and inspections prior to construction helps mitigate the risks related to unknown site conditions. 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 on 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	☒	☐	☐	☐	☐
LEGAL	☐	☒	☐	☐	☐
OPERATIONAL	☐	☐	☐	☒	☐
TECHNOLOGICAL	☒	☐	☐	☐	☐
FINANCIAL	☐	☐	☒	☐	☐
REPUTATIONAL	☐	☐	☒	☐	☐

Carleton University
Major Capital Projects
Reporting at December 2023

Project	Budget	Expenditures at Dec 31/23	Anticipated Expenditures to Come	(Over) Under Budget
Capital Renewal 2019/20	14,000,000	12,437,527	1,562,473	0
Capital Renewal 2020/21	14,000,000	12,156,426	1,843,574	0
Capital Renewal 2021/22	14,000,000	11,680,421	2,319,579	0
Capital Renewal 2022/23	14,000,000	6,538,167	7,461,833	0
Capital Renewal 2023/24	14,000,000	1,540,391	12,459,609	0
New Residence	106,000,000	32,839,356	73,160,644	0
Aquatics Centre and Wellness Hub - Concept Design	1,256,157	863,624	392,533	0
TC-Dining Hall Expansion	8,500,000	458,466	8,041,534	0
P9 - Decommissioning P9 Garage	7,885,269	113,520	7,771,749	0
LA- Envelope Remediation and Replacement	4,380,000	305,377	4,074,623	0
PA - Building Retrofit and Renewal	1,123,000	45,000	1,078,000	0
Transportation Fund	10,000,000	6,986,636	3,013,364	0
Facilities Renewal Program 23/24	5,149,500	3,400,743	1,748,757	0
TOTAL	**214,293,926**	**89,365,654**	**124,928,272**	**-**

Office of the Vice-President
(Finance and Administration)
503 Tory Building
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Ottawa, ON K1S 5B6
Tel: (613) 520-3804

DATE: February 28, 2024

TO: Finance Committee, Board of Governors

FROM: Dr. Lorraine Dyke, Vice-President (Finance and Administration), Carleton University
Chair, Investment Committee

RE: Renewal of appointment to the Investment Committee

On the recommendation of the Investment Committee, move to approve the renewal of Chris Dyrda and Bill Wolfenden as members of the Investment Committee for a term of three years commencing Jan. 1, 2024, as presented. ****Note approved by the Finance Committee on February 15, 2024.**

The Investment Committee's Terms of Reference stipulate that the committee must include a Governor appointed by the Board of Governors, a Dean appointed by the Finance Committee on the recommendation of the President, three *ex officio* members, plus at least two external members. Chris Dyrda and Bill Wolfenden – along with Debra Alves – fill this latter role.

Christopher Dyrda (retired) was a Senior Executive with the TD Bank Group, with 38 years of broad management experience serving public and private enterprises across Canada. His work involved extensive interactions with private business owners and senior executives. Chris has been a director of First Nations Bank of Canada since 2001. First Nations Bank is a federally chartered schedule A bank meeting the needs of the Indigenous market in Canada. He is a member of the bank's Audit and Risk Management, and Credit committees. His areas of expertise include strategy development, risk management, annual business planning and goal setting, succession planning, HR recruitment and development, and senior management evaluation and compensation. He joined the committee in December 2017.

Bill Wolfenden is Senior Vice-President and Chief Investment Officer at Doherty & Associates Investment Counsel in Ottawa. He leads the investment team overseeing all investment analysis and trade execution for client portfolios. Bill joined Doherty & Associates in 2001 and has been in the investment industry for more than 20 years. He holds the Chartered Financial Analyst designation. Bill completed two terms on Carleton's Board of Governors where he was a member of the Audit, and Finance committees and chaired the latter. He also served as the representative of the Board of Governors on the Pension Committee. Bill was appointed to Carleton's Investment Committee as an external member in 2014 after his term on the committee as the representative of the Board of Governors ended.

Both Chris and Bill are experienced, dedicated members of the Committee and the Committee is very appreciative of their willingness to continue serving in this capacity.

BOARD OF GOVERNORS: REPORT

To:	Board of Governors	**Date of Report:** 8 January 2024
From:	Chair, Finance Committee	**Date of Meeting:** 6 March 2024
Subject:	Infrastructure Investment Manager for the Pension Plan	
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

The Carleton University Retirement Plan (the Plan) has a target infrastructure allocation of 15% of the Retirement Fund (the Fund) assets as outlined in the Statement of Investment Policies and Procedures (SIP&P). The allocation is a mix of core open-end and core+/value-add closed-end funds. The open-end funds own lower risk stabilized infrastructure assets that earn an annualized return of 6-8% net, with most of the return coming from income. The closed-end funds own assets that are undergoing growth plans to be sold when stabilized earning an annualized return of 10% net made up of income and capital appreciation. The current allocation is at 12% so the Pension Committee ran a search to bring the allocation back to the 15% SIP&P target weight. The search concluded by recommending another closed-end manager Antin Infrastructure Partners Fund V.

4.0 INPUT FROM OTHER SOURCES

The Pension Committee worked with search consultant Mercer and also leveraged data from the infrastructure investment industry, Canadian pension peers and the Pension Fund Management office.

5.0 ANALYSIS AND STRATEGIC ALIGNMENT

About Investing in Infrastructure

Infrastructure investments are focused on a number of sectors including energy, communications, water and waste, transport and social infrastructure. The revenue profile of these assets is very secure and can be regulated, contracted or GDP linked. Examples of infrastructure assets include hydroelectric facilities, cell towers, water utilities, airports and P3 hospitals. The risk profile is defined as core, value-add and opportunistic. Core funds are generally open-ended with quarterly or annual liquidity provisions. Most of the return from core funds is income because core means stabilized infrastructure assets with long-term stable revenue profiles. These assets can be backed by rate payers in the case of utilities, government entities in the case of a P3 hospital, or citizens and businesses paying for the use of airports and toll roads. Value-add and opportunistic infrastructure involves growing an infrastructure asset's revenue. Examples include adding a runway to an airport or building out 5G connectivity of cell towers. One would expect higher returns from value-add and opportunistic infrastructure because there is risk involved in constructing or acquiring these additional revenue streams.

About the Search
Carleton worked with Mercer in executing this closed-end infrastructure manager search. The Pension Committee considered a number of criteria for selecting a list of six global infrastructure funds, the criteria being:

- A strong track record of delivering value-add returns through challenging periods, such as the global financial crisis and the pandemic
- Focused on developed markets where there is strong rule of law
- Some exposure to the growing sectors within infrastructure i.e. data centers, towers, renewable energy
- Strong Environmental, Social and Governance (ESG) practices given infrastructure assets touch many stakeholders including government, citizens and businesses

From this, further analysis was undertaken to look at the firms' organization, investment team, ability to source deals and manage assets, track record, fees, alignment of interests, valuation technique and the institutional pension peers that are partnered with them.

About Antin Infrastructure Partners Fund V
Antin was founded in 2007 and has raised over €30 billion from institutional clients through closed-end funds focused on value-add infrastructure investments in Europe and North America. Antin's fifth closed-end fund will focus on acquiring, growing and selling infrastructure businesses to generate strong risk adjusted returns. Their focus is on long-term mega trends within energy and environment, digital, transport and social infrastructure. Their investments have to pass the Antin Infrastructure test, which is that the investments are (1) an essential service, (2) high barriers to entry, (3) stable and predictable cash flows, (4) inflation linkage and (5) downside protection. Antin's realized track record is a 2.1x equity multiple and 16% net internal rate of return (IRR). Antin V aims to raise €10 billion and will target a 12% net IRR. Carleton will be partnered alongside reputable Canadian and global pension peers. The management fee is 1.35% on committed equity and 1.0% on invested equity and a 20.0% performance fee on realized returns in excess of 8.0%. Antin is a founding member of the UN supported Principles for Responsible Investing. Carleton's $50-million commitment will be deployed over five years and the term of the fund is 10 years.

6.0 FINANCIAL IMPLICATIONS

Investment manager selection is critical to strengthening both the financial condition of the Plan and the promise to deliver benefits to plan participants. A failure to implement the policy asset mix for the Retirement Fund on a prudent basis could jeopardize the rate of return achieved on the Fund. This return directly affects the funded status of the Retirement Plan and related university contributions, the amount of retirees' starting pensions, and the post-retirement indexing for retirees.

7.0 RISK, LEGAL AND COMPLIANCE ASSESSMENT

Investment manager performance has a direct impact on the financial stability of the Plan, and is of strategic importance to the university, given its size, continued growth and potential for volatility in funding requirements. 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, which includes the careful selection of investment managers and their oversight.

8.0 REPUTATIONAL IMPLICATIONS AND COMMUNICATIONS STRATEGY

Performing due diligence in the selection of an investment manager is critical to avoiding reputational risks. As previously mentioned, the review process involved the support of a third-party advisory firm specializing in such searches, the comprehensive review of the short-listed firms' organization and investment expertise using well-defined criteria. A full legal review was conducted by third-party law firms. The recommendation presented to the Finance Committee was fully endorsed by the Pension Committee.

9.0 OVERALL RISK MANAGEMENT ANALYSIS

	VERY LOW	LOW	MEDIUM	HIGH	VERY HIGH
STRATEGIC	☐	☐	☒	☐	☐
LEGAL	☐	☒	☐	☐	☐
OPERATIONAL	☐	☒	☐	☐	☐
TECHNOLOGICAL	☐	☒	☐	☐	☐
FINANCIAL	☐	☐	☒	☐	☐
REPUTATIONAL	☐	☒	☐	☐	☐

Infrastructure Investment Manager
Carleton University Retirement Plan

Feb. 15, 2024

Carleton University

Retirement Fund Overview

Sept 30, 2023
Net Asset Value
1.6Bn

10-Year Net Return
8.0%

Funding Position (unofficial June 30, 2023)

Going-Concern		Solvency	
Discount Rate	6.1%	Discount Rate	4.3%
Ratio	104%	Ratio	119%

Plan Membership

Actives	2,561
Inactive	591
Retired	3,152

Asset Class	Actual	SIP&P Target	Range
Canadian Equities	25.0%	25.0%	15-35%
Global Equities	26.7%	25.0%	15-35%
Small-Cap Equities	6.7%	5.0%	2-8%
Emerging Market Equities	4.1%	5.0%	2-8%
Fixed Income	20.7%	20.0%	10-30%
High Yield Debt	4.3%	5.0%	2-8%
Infrastructure	12.7%	15.0%	5-20%
Real Estate	0.0%	0.0%	0-10%

Overview of Infrastructure Search

- The infrastructure allocation is a mix of closed-end and open-end funds.
- The closed-end funds are 10-year terms where the investment manager is growing their infrastructure businesses to sell at completion. i.e. adding a runway to an airport or connecting more homes to fibre internet.
- The open-end funds hold core assets where the return is more from income and less from growth.
- The Pension Committee engaged Mercer to support a close-end global infrastructure fund search and is recommending one investment manager to bring the infrastructure allocation back to its SIP&P target.
- The recommendation is Antin Infrastructure Partners V for $50 million CAD.

About the Search

- The Pension Committee worked with Mercer to identify a list of six close-end global infrastructure funds.

The main search criteria were as follows:

- A track record of delivering 1st quartile returns relative to the infrastructure manager universe
- An understanding of long-term mega trends i.e. digitization, energy transition
- Strong downside protection in their approach to infrastructure investing
- A strong alignment of interest between the investors and the manager

- Further analysis was undertaken on the firms' organization, investment team, ability to source deals and manage assets, fees, Environmental, Social and Governance (ESG), and institutional pension partners.

Manager Selection

- The Pension Committee held finalist meetings on Oct. 19, 2023, and selected Antin as their preferred candidate.
- Antin Infrastructure Partners was established in 2007 and has raised €30 billion through five closed-end funds focused on North American and European infrastructure assets. Antin's realized track record is a 2.1x equity multiple and 16% net internal rate of return (IRR).
- The return target of their fifth fund is a 12% net IRR.
- Antin's investment thesis is based on the Antin Infrastructure Test which is that their investments are (1) an essential service, (2) high barriers to entry, (3) stable and predictable cash flows, (4) inflation linkage, and (5) downside protection.
- Mercer completed investment and operational due diligence on the fund.
- External legal due diligence was performed by Blakes.
- Institutional references were obtained on Antin.

BOARD OF GOVERNORS: REPORT

To:	Board of Governors	**Date of Report:** 12 January 2024	
From:	Chair, Finance Committee	**Date of Meeting:** 6 March 2024	
Subject:	Private Equity Investment for the Retirement Plan		
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

The Carleton University Retirement Plan (the Plan) completed an asset-liability study for the Retirement Fund (the Fund) in Q4 2021.The study reviewed the return and risk projections for the Fund to ensure the projected return is in excess of 6% over the long term. The external consultant (Mercer) and the Pension Committee reviewed several asset mixes for their risk and return attributes and approved new 10% allocations to both real estate and private equity. These allocations were chosen to improve the risk and return of the overall Fund. The $320 million in new allocations will be sourced from reducing the 25% Canadian equity allocation to be more in line with its weight in the global public equity market.

Mercer supported the Committee on private equity education, portfolio construction and pacing. The Pension Committee reviewed a forward calendar of Mercer's strongest-rated private equity managers for potential inclusion in the 10% allocation. After several interviews, a CAD $30 million allocation to New Mountain Partners VII's defensive growth fund is being recommended as an initial step in the new private equity allocation. They were A-rated by Mercer on investment and operational due diligence. Legal due diligence is being completed by Blakes.

4.0 INPUT FROM OTHER SOURCES

The Pension Committee worked with search consultant Mercer and also leveraged data from the private equity investment industry, Canadian pension peers, and the Pension Fund Management Office.

5.0 ANALYSIS AND STRATEGIC ALIGNMENT

About Investing in Private Equity

Private equity can be categorized into venture capital, growth equity, and buyout. By investing in private equity, institutional investors expect returns over what can be obtained in public equity. The median Canadian pension plan return from private equity was 18% annualized over the past decade relative to public equity which was 10%. The returns in private equity come from several aspects such as operational improvements, consolidation, dislocation, and growth. Private equity funds usually own companies for eight to 10 years and following this, there is an exit via an initial public offering, acquisition from a corporate entity, or to another private equity fund.

About the Search

Carleton worked with Mercer in executing this private equity manager search. The Pension Committee considered several criteria when reviewing Mercer's forward calendar of top-rated private equity managers, the criteria being:

- A track record in excess of the Pension Investment Association of Canada median PE manager performed over the last decade
- Small/mid-market managers
- Builders of companies, not financial engineers or cost cutters
- ESG is extremely important including how they treat the underlying portfolio company employees i.e. employee ownership, low turnover, Glass Door ratings
- PE managers with exposure to software and the new economy because this has been a driver of strong returns
- We do not want traditional large-cap buyout managers because of real ESG concerns and the inability to deliver 1st quartile returns due to size

From this, further analysis was undertaken to look at the firms' organization, investment team, ability to source deals and manage assets, track record, fees, alignment of interest, valuation technique and the institutional pension peers that are partnered with them.

About New Mountain Partners VII

New Mountain was founded in 1999 to focus on defensive growth business building based on deep fundamental research. The firm has $45 billion in assets under management including some of Canada's largest pension plans as partners. The firm has 250 employees including 150 investment professionals. New Mountain Partners VII will raise $12 billion and invest in 20+ private North American businesses with a focus on the mid-market ($500 million enterprise value per company). This size of investment has shown consistently stronger returns than larger companies. Their sector focus is health tech, life sciences, infrastructure services, consumer products, digital marketing, specialized software, fintech, digital marketing and data. New Mountain has consistently generated 1st quartile returns by fund vintage year relative to the private equity universe. As a manager of private companies, New Mountain has created 68,900 net new jobs at their portfolio companies and the median income of portfolio company employees was 76% above the national individual median income.

The target return is a 20% net internal rate of return (IRR) and 2.5x equity multiple over a 10-year term. The management fee is 1.75% on committed equity during the investment period and 1.0% on invested capital until the fund term expiration. There is a performance fee of 20% over 8%. New Mountain is committing $900 million to the $12 billion fund which demonstrates a strong alignment of interest. Successful returns are shared throughout the full New Mountain team which has led to a strong culture and retention of top talent.

6.0 FINANCIAL IMPLICATIONS

Investment manager selection is critical to strengthening both the financial condition of the plan and the promise to deliver benefits to plan participants. A failure to implement the policy asset mix for the Retirement Fund on a prudent basis could jeopardize the rate of return achieved on the Fund. This return directly affects the funded status of the Retirement Plan and related university contributions, the amount of retirees' starting pensions, and the post-retirement indexing for retirees.

7.0 RISK, LEGAL AND COMPLIANCE ASSESSMENT

Investment manager performance has a direct impact on the financial stability of the Plan, and is of strategic importance to the university, given its size, continued growth, and potential for volatility in funding requirements. 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 which includes the careful selection of investment managers and their oversight.

8.0 REPUTATIONAL IMPLICATIONS AND COMMUNICATIONS STRATEGY

Performing due diligence in the selection of an investment manager is critical to avoiding reputational risks. As previously mentioned, the review process involved the support of a third-party advisory firm specializing in such searches, and the comprehensive review of the short-listed firms' organization and investment expertise using well-defined criteria. A full legal review is being completed by a third-party law firm. The recommendation presented to the Finance Committee was fully endorsed by the Pension Committee.

9.0 OVERALL RISK MANAGEMENT ANALYSIS

	VERY LOW	LOW	MEDIUM	HIGH	VERY HIGH
STRATEGIC	☐	☐	☒	☐	☐
LEGAL	☐	☒	☐	☐	☐
OPERATIONAL	☐	☒	☐	☐	☐
TECHNOLOGICAL	☐	☒	☐	☐	☐
FINANCIAL	☐	☐	☒	☐	☐
REPUTATIONAL	☐	☒	☐	☐	☐

Private Equity Investment Manager
Carleton University Retirement Plan

Feb. 15, 2024

Carleton University

Overview of Private Equity Search

- In Q4 2021, the Pension Committee completed an asset-liability study which is a review of the return and risk projections of the asset mix of the Retirement Fund.
- The committee approved the external consultant’s recommendation to implement a new 10% allocation to both private equity and real estate with the capital primarily coming from a reduction in the 25% Canadian equity allocation.
- The new asset mix is projected to increase the return of the Retirement Fund while maintaining a similar level of risk.
- As part of the initial private equity search, Mercer conducted several education sessions.
- A forward calendar of Mercer’s highest conviction private equity managers was presented and the committee went through a search process to select an initial manager.

About the Search

- The Pension Committee worked with Mercer to review their forward calendar of highly rated private equity managers.

The main search criteria were as follows:

- A track record above the median PE manager over the last decade
- Small/mid-market managers
- Builders of companies, not financial engineers or cost cutters
- ESG considerations
- Exposure to the new economy
- We do not want traditional large-cap buyout managers because of ESG concerns and mediocre returns

- Further analysis was undertaken to look at the firms’ organization, investment team, ability to source deals and manage assets, track record, fees, alignment of interest, valuation technique and the institutional pension peers that are partnered with them.

Manager Selection

- The Pension Committee held meetings on Jan. 11, 2024, and selected New Mountain as their first private equity manager. The other managers remain of interest as part of a pacing plan.
- New Mountain was established in 1999 and has raised $45 billion through private equity, real estate, and credit funds. New Mountain has a strong track record of delivering 1st quartile performance relative to their private equity peers by vintage year.
- The return target of their seventh fund is a 20% net IRR and 2.5x equity multiple over a 10-year term.
- They are raising $12 billion and will be primarily investing in private North American companies with an enterprise value of $500 million.
- Historically companies of this size have delivered outsized returns.
- Their sector focus is health tech, life sciences, infrastructure services, consumer products, digital marketing, specialized software, fintech, digital marketing, and data.
- Mercer completed investment and operational due diligence on the fund.
- External legal due diligence is being completed by Blakes.

BOARD OF GOVERNORS: REPORT

To:	Board of Governors	**Date of Report:** 10 January 2024
From:	Chair, Finance Committee	**Date of Meeting:** 6 March 2024
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. This report focuses on performance of the Fund for periods ending Sept. 30, 2023.

The objective of the Fund is to achieve returns that will allow annual distributions of 4 per cent on a moving four-year average of the market value of the Fund and a 1 per cent administrative levy while preserving the real value of the Fund in perpetuity. Results for this period show that returns were shy of this objective. The four-year annualized return for the period was 5.1 per cent, after accounting for the 4 per cent annual distribution, 1 per cent administrative levy, and 2 percent inflation over a four-year period there was a small erosion in the real value of the Fund.

Carleton University General Endowment
Performance for periods ending Sept. 30, 2023

	1 Yr	2 Yr	4 Yr	7 Yr	10 Yr
Gross Return[1]	9.0%	0.1%	5.3%	6.3%	7.3%
Benchmark	10.9%	1.8%	6.5%	6.6%	6.7%
Value-Add[2]	-1.9%	-1.7%	-1.2%	-0.3%	0.6%
Net Return	8.8%	-0.1%	5.1%	6.1%	7.0%

[1]Returns are presented using the Time-Weighted Rate of Return (TWR) methodology from our custodian bank.
[2]The value target in the SIP&P is 1.0 per cent in excess of the Benchmark Portfolio gross of fees.

The underperformance relative to the benchmark is the result of the active global equity manager (35 per cent of the General Endowment) not owning benchmark weight to a group of seven stocks called the Magnificent 7 (Apple, Google, Microsoft, Amazon, Meta, Tesla and Nvidia). The Investment Committee is reviewing the asset mix to see if there are opportunities to increase returns.

The market value of the Total Endowment is $361 million, up from $329 million year over year. This includes three small single-purpose endowments that have specific investment mandates and uses separate from the General Endowment, which is $341 million as of Sept. 30, 2023.

In the fiscal year, the annual distribution from the Endowment fund was $14.4 million, providing $4.0 million for scholarships and awards, $4.1 million in bursaries, and $6.3 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 report for the period ending Sept. 30, 2023 was used in preparing this investment report.

5.0 ANALYSIS AND STRATEGIC ALIGNMENT

The Fund is comprised of four subsidiary funds – the General Endowment and three smaller, single-manager funds - the Sprott Bursary, Jarislowsky Chair in Water and Global Health, and RBC Fossil Fuel Free (FFF) Global Equity Fund.

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 per cent of the combined assets. The General Endowment is invested in a diversified portfolio of Canadian and global equities, Canadian fixed income, and global infrastructure funds.

The Endowment is strategically important for Carleton; the annual distribution provides funds for student support and other university initiatives.

The Investment Committee is currently reviewing the asset mix as per the Statement of Investments Policies and Procedures (SIP&P) to ensure that the projected fund return is in excess of 7 per cent or if changes are required. As part of this analysis, the Investment Committee is also reviewing the carbon footprint of different asset mixes.

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 per cent 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 - Chair), 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	☐	☒	☐	☐	☐
LEGAL	☐	☒	☐	☐	☐
OPERATIONAL	☐	☐	☒	☐	☐
TECHNOLOGICAL	☐	☒	☐	☐	☐
FINANCIAL	☐	☐	☒	☐	☐
REPUTATIONAL	☐	☒	☐	☐	☐

Investment Report for the Endowment

Feb. 15, 2024

Carleton University

Governance of the Endowment

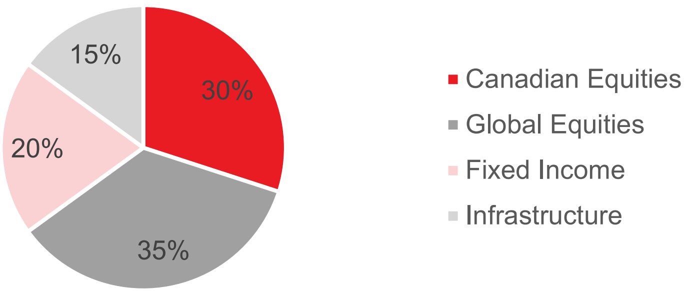
- The Endowment is overseen by an Investment Committee made up of the following participants:
  - Vice-President (Finance and Administration) – Chair, ex officio
  - Associate Vice-President (Financial Services) – ex officio
  - Executive Director (Pension Fund Management) – ex officio
  - A Governor 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 Environmental, Social and Governance (ESG) initiatives.
- Supported by the Pension Fund Management Office

General Endowment Performance

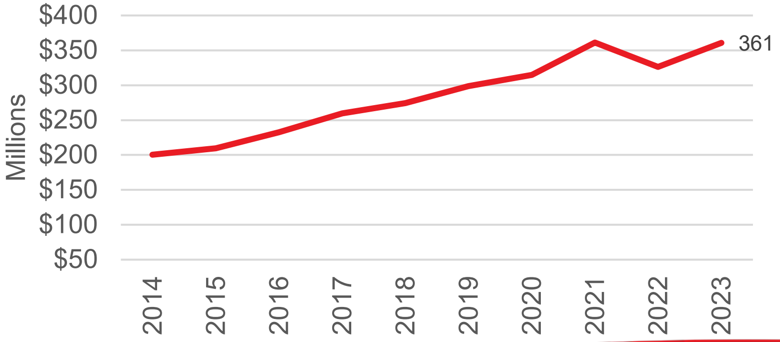
As of Sept. 30, 2023	1 Yr	2 Yr	4 Yr	7 Yr	10 Yr
Total Return (gross)[1]	9.0%	0.1%	5.3%	6.3%	7.3%
Benchmark	10.9%	1.8%	6.5%	6.6%	6.7%
Value Add[2]	-1.9%	-1.7%	-1.2%	-0.3%	-0.6%
Total Return (Net)	8.8%	-0.1%	5.1%	6.1%	7.0%

[1]Returns are presented using the Time-Weighted Rate of Return (TWR) methodology from our custodian bank.
[2]The value add target in the SIP&P is 1.0% in excess of the Benchmark Portfolio gross of fees.

SIP&P Target Asset Mix – General Endowment



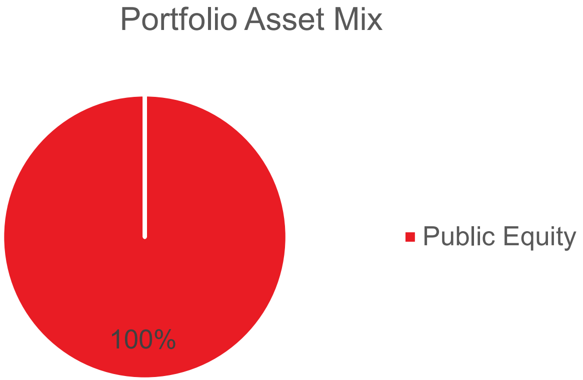
Total Endowment Net Asset Value

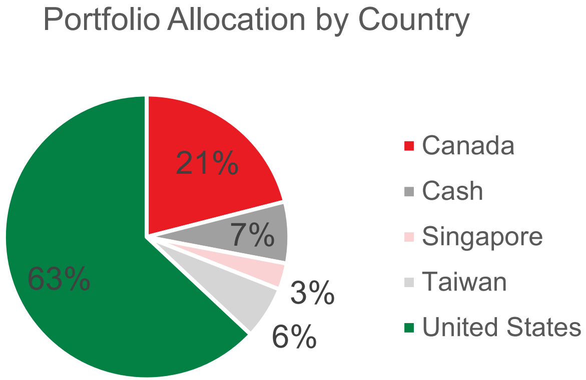


Sprott Student Investment Fund

As of Sept. 30, 2023	1 Year	2 Year	4 Year	8 Year
Total Return (gross)	9.78%	6.15%	14.87%	13.42%
Benchmark	15.22%	3.27%	10.67%	11.62%
Value Add	-5.44%	2.88%	4.2%	1.8%

$2.1M net asset value





Endowment Updates

- The Investment Committee is currently reviewing the asset mix as per the Statement of Investments Policies and Procedures (SIP&P) to ensure that the projected fund return is in excess of 7% or if changes are required.
- As part of this analysis, the Investment Committee is also reviewing the carbon footprint of different asset mixes.

BOARD OF GOVERNORS: REPORT

To:	Board of Governors	**Date of Report:** 19 January 2024
From:	Chair, Audit and Risk Committee	**Date of Meeting:** 6 March 2024
Subject:	Audited Financial Statements for the Carleton University Retirement Fund at June 30, 2023	
Responsible Portfolio:	Pension Committee	

1.0 PURPOSE

☐ For Approval ☒ For Information ☐ For Discussion

2.0 MOTION

This report is for information only.

3.0 EXECUTIVE SUMMARY

The audit of the Carleton University Retirement Fund (the Fund) was conducted in October 2023 and the auditor's report and financial statements were presented by KPMG to the Pension Committee on Dec. 7, 2023. The financial statements were issued without reservation. The Pension Committee examined the statements and the Audit Findings Report and approved their acceptance. The Financial Statements then were filed with the Financial Services Regulatory Authority (FSRA) of Ontario as required by regulation. Note that the Board of Governors previously delegated approval of the statements to the Pension Committee so that they could be filed in a timely manner (i.e. prior to Dec. 31). For this reason, the statements are provided to the Audit and Risk Committee and the full Board for information.

4.0 INPUT FROM OTHER SOURCES

None.

5.0 ANALYSIS AND STRATEGIC ALIGNMENT

The filing of the audited financial statements on an annual basis is required under the regulations governing retirement plans registered in Ontario. This annual exercise assists the university in its capacity as Sponsor of the Carleton University Retirement Plan (the Plan). It similarly assists the Audit Committee and the Board of Governors in overseeing the Plan.

Note that the audited statements are for the Retirement Fund, which is comprised of the investments supporting the Retirement Plan. The financial position of the Plan is assessed by triennial actuarial valuations with the latest being completed as of June 30, 2022.

The financial statements are presented in addition to this Executive Summary.

The Retirement Fund rebounded in the fiscal year due to sentiment that inflation and interest rate hikes have moderated which resulted in a rebound in equity markets. The market value of the Retirement Fund ended the fiscal year at $1.61 billion up from $1.49 billion in 2022. The one-year net return was 11.8%. Long-term returns have remained strong relative to the Fund's benchmark and the Plan remains fully funded based on an informal actuarial valuation update given to the Pension Committee in September 2023.

6.0 FINANCIAL IMPLICATIONS

There are no financial implications for this item.

7.0 RISK, LEGAL AND COMPLIANCE ASSESSMENT

Legal and compliance risk is minor as this is an annual process undertaken by the Pension Fund Management Office and the university's auditors. There are financial and operational risks should there be deviance from the governance framework of the Plan; however the clean audit confirms that the governance structure has been followed and, as a result, these risks are minor.

8.0 REPUTATIONAL IMPLICATIONS AND COMMUNICATIONS STRATEGY

There is no reputational risk. The statements are available to Plan members upon request.

9.0 OVERALL RISK MANAGEMENT ANALYSIS

	VERY LOW	LOW	MEDIUM	HIGH	VERY HIGH
STRATEGIC	☐	☒	☐	☐	☐
LEGAL	☐	☒	☐	☐	☐
OPERATIONAL	☐	☒	☐	☐	☐
TECHNOLOGICAL	☒	☐	☐	☐	☐
FINANCIAL	☐	☒	☐	☐	☐
REPUTATIONAL	☒	☐	☐	☐	☐

Fund Financial Statements of

THE PENSION FUND OF THE CARLETON UNIVERSITY RETIREMENT PLAN

And Independent Auditor’s Report thereon

Year ended June 30, 2023

KPMG LLP
150 Elgin Street, Suite 1800
Ottawa, ON K2P 2P8
Canada
Telephone 613 212 5764
Fax 613 212 2896

INDEPENDENT AUDITOR'S REPORT

To the Pension Committee of the Board of Governors of Carleton University

Opinion

We have audited the fund financial statements The Pension Fund of the Carleton University Retirement Plan (the "Entity"), which comprise:

- the statement of net assets as at June 30, 2023;
- the statement of changes in net assets available for benefits for the year then ended; and
- notes to the financial statements, including a summary of significant accounting policies.

(Hereinafter referred to as the "fund financial statements").

In our opinion, the accompanying fund financial statements, present fairly, in all material respects, the financial position of the Entity as at June 30, 2023, and its results of operations and its cash flows for the year then ended in accordance with the financial reporting provisions of Section 76 of the Regulation to the Pension Benefits Act (Ontario).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Fund Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the fund financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

Without modifying our opinion, we draw attention to note 2(a) to the fund financial statements, which describes the basis of accounting. The fund financial statements are prepared to assist The Pension Committee of the Board of Governors of Carleton University to meet the requirements of the Financial Services Regulatory Authority. As a result, the fund financial statements may not be suitable for another purpose. Our report is intended solely for the Pension Committee of the Board of Governors of Carleton University and the Financial Services Regulatory Authority and should not be used by parties other than the Pension Committee of the Board of Governors of Carleton University or the Financial Services Regulatory Authority.

Responsibilities of Management and Those Charged with Governance for the Fund Financial Statements

Management is responsible for the preparation and fair presentation of these fund financial statements in accordance with the financial reporting provisions of Section 76 of the Regulation to the Pension Benefits Act (Ontario), and for such internal control as management determines is necessary to enable the preparation of fund financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the fund financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Fund Financial Statements

Our objectives are to obtain reasonable assurance about whether the fund financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the fund financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the fund financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the fund financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the fund financial statements, including the disclosures, and whether the fund financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

December 7, 2023

THE PENSION FUND OF THE CARLETON UNIVERSITY RETIREMENT PLAN

(Registration #0526616)
Statement of Net Assets

June 30, 2023, with comparative information for 2022
(In thousands of dollars)

	2023	2022
Assets		
Accrued investment income	$ 4,421	$ 4,290
Contributions receivable	118	–
Termination and pension payments receivable	–	1
Investments (note 3)	1,604,121	1,481,570
	1,608,660	1,485,861
Liabilities		
Accounts payable and accrued liabilities	979	730
Termination and pension payments payable	36	–
	1,015	730
Net assets available for benefits	$ 1,607,645	$ 1,485,131

See accompanying notes to fund financial statements.

Approved by:

Chair of the Pension Committee

Member of the Pension Committee

THE PENSION FUND OF THE CARLETON UNIVERSITY RETIREMENT PLAN

(Registration #0526616)
Statement of Changes in Net Assets Available for Benefits

Year ended June 30, 2023, with comparative information for 2022
(In thousands of dollars)

	2023	2022
Increase in Net Assets		
Contributions:		
Employee - required	$ 13,490	$ 12,996
Employee - voluntary	468	528
Employer – required	22,060	22,968
Transfers in	1,212	1,149
	37,230	37,641
Investment income (note 6)	57,888	48,470
Changes in fair value of investments:		
Net realizable gains (note 6)	42,035	75,170
Change in net unrealized gains	77,792	(219,532)
	119,827	(144,362)
Total increase (decrease) in net assets	214,945	(58,251)
Decrease in Net Assets		
Benefits:		
Pension benefits payments	77,655	75,911
Termination payments	7,138	7,678
	84,793	83,589
Administrative expenses (note 7)	7,638	7,036
Total decrease in net assets	92,431	90,625
Increase (decrease) in net assets available for benefits	122,514	(148,876)
Net assets available for benefits, beginning of year	1,485,131	1,634,007
Net assets available for benefits, end of year	$ 1,607,645	$ 1,485,131

See accompanying notes to fund financial statements.

1. Description of the Plan:

The following description of The Pension Fund of the Carleton University Retirement Plan (the "Plan") is a summary only. For more complete information reference should be made to the text of the Plan.

(a) General:

The Carleton University Retirement Plan was established by Carleton University effective April 1, 1948. The Plan was revised to its current form in 1973. Membership in the Plan is compulsory for all continuing employees who are 30 years of age or older. Other types of employees may become members under certain conditions.

The Plan is a money purchase plan with a defined benefit minimum guarantee. The net assets of the pension fund are available to meet the pension obligations arising from a member's money purchase component account or a minimum guarantee pension, whichever is greater.

The Plan is administered by Carleton University. The Plan's Ontario registration number is 0526616.

(b) Funding:

Contributions of 4.37% of pensionable earnings up to the year's maximum pensionable earnings plus 6% of pensionable earnings above the year's maximum pensionable earnings are made by each active member to the member's money purchase component account of the members' fund.

Contributions of 4.62% of pensionable earnings up to the year's maximum pensionable earnings plus 6.25% of pensionable earnings above the year's maximum pensionable earnings are made by the University to each member's money purchase component account.

The actuarial valuation of the Plan as at July 1, 2010 determined that the Plan had an unfunded liability of $47,571, a solvency deficiency of $59,132 and a hypothetical wind-up deficiency of $168,700 at that date. Carleton University applied for and was granted Stage 1 solvency relief under Ontario Regulation 178/11, Solvency Funding Relief for Certain Public Sector Pension Plans. Under the provisions of Stage 1, minimum special payments of $7,035 were required annually towards the unfunded liabilities of the Plan. As such, special payments of $586 per month commencing July 1, 2010 were made to fund the unfunded liability.

1. Description of the Plan (continued):

(b) Funding (continued):

The actuarial valuation of the Plan as at July 1, 2013 determined that the Plan had an unfunded liability of $87,343, a solvency deficiency of $159,168 and a hypothetical wind-up deficiency of $159,168 at that date. Carleton University applied for and was granted Stage 2 solvency relief under Ontario Regulation 178/11, Solvency Funding Relief for Certain Public Sector Pension Plans. Under the provisions of Stage 2, minimum special payments of $9,658 were required annually towards the unfunded liabilities of the Plan. As such, special payments of $805 per month commencing July 1, 2014 were being made to fund the unfunded liability. In March 2016, Carleton University made a one-time special payment of $30,000 in addition to the required special payments.

The actuarial valuation of the Plan as at July 1, 2016 determined that the Plan had an unfunded liability of $80,101, a solvency deficiency of $223,763 and a hypothetical wind up deficiency of $223,763 at that date. Carleton University applied for and was granted the third round of solvency relief under Ontario Regulation 178/11, Solvency Funding Relief for Certain Public Sector Pension Plans. Under the provisions of solvency relief provisions announced in October, 2016, minimum special payments of $9,658 in fiscal year 2017 followed by special payments of $13,508 for fiscal year 2018 and 2019 are required annually towards the unfunded liabilities of the Plan. As such, special payments of $805 per month were made in the year ended June 30, 2017 to fund the unfunded liability. Special payments of $1,126 per month were made in the years ended June 30, 2018 and June 30, 2019 to fund the unfunded liability.

The actuarial valuation of the Plan as at July 1, 2019 determined that the Plan had an unfunded liability of $59,277, a solvency deficiency of $120,998 and a hypothetical wind-up deficiency of $120,998 at that date. Prior to the filing of the actuarial valuation report, Carleton University contributed into the pension fund a total of $50,479 of special payments for the period from July 1, 2019 to March 31, 2021. These contributions in plan year 2019/2020 were to be applied towards minimum special payments contributions until the next required valuation date. As such, no minimum special payments contributions were required to be made for the period from April 2020 to June 2023 (one year following the next required valuation date).

The most recent filed actuarial valuation of the Plan as at June 30, 2022 determined that the Plan had a funding excess of $51,447. No minimum special payments contributions are required to be made for the period from April 2020 to June 2023. The next required actuarial valuation of the Plan is as at June 30, 2025.

No contributions remain past due as of June 30, 2023.

1. Description of the Plan (continued):

(c) Retirement benefits:

The balance in a member's money purchase component account varies from year to year according to the investment performance of the Plan and contributions made during the year. At retirement a member receives a pension provided by his or her money purchase component account or a minimum guarantee pension, whichever is greater.

The minimum guarantee pension is calculated as years of credited service multiplied by the sum of 1.29% of the highest 5 years' average earnings up to the 5 year average of the years' maximum pensionable earnings and 2% of the highest 5 years' average earnings in excess of the 5 year average of the year's maximum pensionable earnings, less the member's Canadian Government Annuity entitlement, if any.

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 minus 6%. For benefits relating to service accrued prior to July 1, 2003, benefits are not reduced if the adjustment calculation yields a negative number.

(d) Income taxes:

The Plan is a registered pension plan under the Income Tax Act (Canada) and, consequently, is not subject to income taxes.

2. Significant accounting policies:

(a) Basis of presentation:

As permitted under Section 76 of the Regulation to the Pension Benefits Act (Ontario), the Plan may prepare fund financial statements in accordance with Canadian accounting standards for pension plans or in accordance with Canadian accounting standards for pension plans excluding pension obligations and any resulting surplus or deficit. The Plan has prepared these fund financial statements in accordance with Canadian accounting standards for pension plans excluding pension obligations and any resulting surplus or deficit.

In selecting or changing accounting policies that do not relate to its investment portfolio, the Plan has chosen to comply on a consistent basis with Canadian accounting standards for private enterprises in Part II of the CPA Canada Handbook – Accounting.

2. Significant accounting policies:

(a) Basis of presentation (continued):

These fund financial statements have been prepared to assist the Pension Committee of the Board of Governors of Carleton University in meeting the requirements of the Financial Services Regulatory Authority. As a result, these fund financial statements may not be suitable for another purpose. Effective June 8, 2019, all regulatory functions of the Financial Services Commission of Ontario (“FSCO”) were assumed by the Financial Services Regulatory Authority (“FSRA”). FSRA has indicated that until such time as new regulatory guidelines are issued, all existing regulatory directions remain in effect.

These fund financial statements of the Plan do not purport to show the adequacy of the Plan's assets to meet its pension obligation. Such an assessment requires additional information, such as the Plan's actuarial reports and information about the University's financial condition.

(b) Use of estimates and judgments:

The preparation of fund financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the statement of net assets and the reported amounts of changes in net assets available for benefits during the year. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

(c) Financial assets and financial liabilities:

(i) Non-derivative financial assets:

Financial assets are recognized initially on the trade date, which is the date that the Plan becomes a party to the contractual provisions of the instrument. Upon initial recognition, attributable transaction costs are recognized in the statement of changes in net assets available for benefits as incurred.

The Plan measures its investments at fair value.

All other non-derivative financial assets including contributions receivable are measured at amortized cost.

2. Significant accounting policies (continued):

(c) Financial assets and financial liabilities (continued):

(ii) Non-derivative financial liabilities:

All financial liabilities are recognized initially on the date at which the Plan becomes a party to the contractual provisions of the instrument.

The Plan derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

(d) Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In determining fair value, the Plan follows the guidance in IFRS 13, Fair Value Measurement ("IFRS 13"), in Part I of the CPA Canada Handbook. As allowed under IFRS 13, if an asset or a liability measured at fair value has a bid and an ask price, the price within the bid-ask spread that is the most representative of fair value in the circumstances shall be used to measure fair value. The Plan uses closing market price as a practical expedient for fair value measurement.

Fair value measurements are classified within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs that are not based on observable market data.

Note 4 provides these additional disclosures on investments held by the Plan and carried at fair value.

The fair values of other financial assets and liabilities approximate their carrying values due to the expected short-term settlement of these financial instruments.

All changes in fair value of investments, other than interest and dividend income and expense, are recognized in the statement of changes in net assets available for benefits as part of the change in net unrealized gains.

2. Significant accounting policies (continued):

(d) Fair value measurement (continued):

Fair values of investments are determined as follows:

(i) Bonds and stocks are valued at the year-end quoted market prices.

(ii) Cash and short-term investments are stated at cost, which together with accrued interest income, approximate market value given the short-term nature of these investments.

(iii) Pooled fund investments are valued at the unit values supplied by the pooled fund administrators, which represent the Plan's proportionate share of underlying net assets at market value.

(iv) Infrastructure investments are valued by the investment managers of these interests by performing valuations of the underlying investments on a calendar quarter basis and providing quarterly statements. Annual financial statements of the private investment interests are audited and are also provided by the investment managers. The value of the investments in these interests included in the statement of net assets is based on the most recent statements available (typically March 31) adjusted for subsequent cash receipts and cash disbursements from the fund through June 30. The University believes the carrying amount of these financial instruments is a reasonable estimate of fair value.

(v) Derivative financial instruments entered into by the Plan are recorded at fair value based on year-end quoted market prices where available. Where quoted prices are not available, values are determined using pricing models, which take into account current market and contractual prices of the underlying instruments, as well as time value and yield curve or volatility factors underlying the positions.

The Plan manages some of its foreign currency exposure through foreign exchange forward contracts.

(e) Investments held by the trustee:

The assets of the Plan are held by CIBC Mellon, which acts as the corporate trustee.

(f) Net realized gain (loss) on sales of investments:

The net realized gain (loss) on sales of investments is the difference between proceeds received and the average cost of investments sold.

(g) Revenue recognition:

Contributions and investment income are recorded on an accrual basis.

(In thousands of dollars)

3. Investments:

The fair value and the book value of the investments held by the trustee as at June 30 are as follows:

	2023 Fair value		2022 Fair value	
Cash and short-term investments	$ 16,591	1.03%	$ 20,019	1.35%
Fixed income:				
Canadian	96,718	6.03%	87,932	5.94%
Non-Canadian	63,801	3.98%	58,931	3.98%
Pooled funds	238,837	14.89%	222,384	15.01%
Equities:				
Canadian	437,732	27.29%	439,710	29.68%
Non-Canadian	452,871	28.23%	400,417	27.03%
Pooled funds	121,186	7.55%	92,709	6.26%
Real estate pooled fund	5,477	0.34%	5,725	0.38%
Infrastructure funds	161,187	10.05%	159,258	10.75%
Foreign exchange forward contracts	9,721	0.61%	(5,515)	(0.38)%
	$ 1,604,121	100.00%	$ 1,481,570	100.00%

	2023 Book value		2022 Book value	
Cash and short-term investments	$ 16,597	1.19%	$ 20,005	1.45%
Fixed income:				
Canadian	105,395	7.54%	98,403	7.11%
Non-Canadian	67,938	4.86%	67,719	4.89%
Pooled funds	273,585	19.57%	258,592	18.68%
Equities:				
Canadian	338,676	24.22%	367,435	26.55%
Non-Canadian	334,935	23.95%	331,026	23.92%
Pooled funds	92,091	6.59%	71,781	5.19%
Real estate pooled fund	3,215	0.23%	3,215	0.24%
Infrastructure funds	165,787	11.85%	165,882	11.97%
	$ 1,398,219	100.00%	$ 1,384,058	100.00%

(In thousands of dollars)

3. Investments (continued):

The Plan has entered into foreign currency forward contracts as part of its risk management strategy to address the volatility of its investments held in foreign currencies. The Plan has forward contracts with notional values of $471,460 (2022 - $399,320). Notional values represent the face amount of the contract to which a rate or price is applied in order to calculate the exchange of cash flows. Notional values do not represent the potential gain or loss associated with the market or credit risk of such transactions. Rather, these values serve as the basis upon which the returns from, and the fair value of the contracts, are determined. Accordingly, notional values are not recorded as assets and liabilities in the fund financial statements. The foreign currency forward contracts have a remaining term to maturity of less than one year.

4. Fair value hierarchy:

The following tables report the classification of the Plan's investments within the fair value hierarchy as at June 30, 2023 and June 30, 2022.

Cash and exchange traded funds (stocks) are classified as Level 1; short-term investments and assets held within pooled funds, other than exchange traded funds, are classified as Level 2 and Level 3.

As at June 30, 2023	Level 1	Level 2	Level 3	Total
Cash and short-term investments	$ –	$ 16,592	$ –	$ 16,592
Fixed income		160,519	–	160,519
Equities	890,603	–	–	890,603
Pooled funds	–	360,023	5,477	365,500
Infrastructure funds	–	–	161,187	161,187
Foreign exchange forward contracts	–	9,721	–	9,721
	$ 890,603	$ 546,855	$ 166,664	$ 1,604,122

As at June 30, 2022	Level 1	Level 2	Level 3	Total
Cash and short-term investments	$ –	$ 20,019	$ –	$ 20,019
Fixed income	–	146,863	–	146,863
Equities	840,127	–	–	840,127
Pooled funds	–	315,093	5,725	320,818
Infrastructure funds	–	–	159,258	159,258
Foreign exchange forward contracts	–	(5,515)	–	(5,515)
	$ 840,127	$ 476,460	$ 164,983	$ 1,481,570

(In thousands of dollars)

4. Fair value hierarchy (continued):

During 2023 and 2022, there were no transfers of assets between Level 1, Level 2 and Level 3. The table below reconciles the Plan's level 3 investment assets from June 30, 2022 to June 30, 2023:

	Market value base
Balance, June 30, 2022	$ 164,983
Investment income	15,165
Realized gains	68
Change in unrealized gains	(13,552)
Balance, June 30, 2023	$ 166,664

The table below reconciles the Plan's level 3 investment assets from June 30, 2021 to June 30, 2022:

	Market value base
Balance, June 30, 2021	$ 143,327
Investment income	11,197
Realized gains	39
Change in unrealized gains	10,420
Balance, June 30, 2022	$ 164,983

5. Risk management:

The Plan is exposed to a variety of financial risks as a result of its investment activities, and has formal policies and procedures that govern the management of market, credit and liquidity risk. The following is a description of these risks and how they are managed.

(a) Market risk:

Market risk is the risk that the value of an investment will fluctuate as a result of changes in market conditions, whether those changes are caused by factors specific to the individual investment or its issuer, or factors affecting all securities traded in the market. Market risk comprises three types of risk: (i) foreign currency risk, (ii) interest rate risk, and (iii) other price risk.

5. Risk management (continued):

(a) Market risk (continued):

The Plan uses a diversification strategy to mitigate market risk. The Plan's Statement of Investment Policies and Procedures ("SIPP") establishes a target asset mix among cash and short-term investments, fixed income, high yield debt, global infrastructure and Canadian and non-Canadian equities.

(i) Foreign currency risk:

Foreign currency risk is the risk that the fair value of future cash flows of an investment will fluctuate because of changes in foreign exchange rates.

Investments denominated in currencies other than the Canadian dollar expose the Plan to fluctuations in foreign exchange rates. Investments that have exposure to foreign currency fluctuations represent 41% of net investment assets at June 30, 2023 (2022 - 41%).

Currency risk is managed through the SIPP defined limits on maximum currency exposures, diversification among currencies and through the use of forward contracts to hedge foreign currency exposures.

At June 30, 2023, if the Canadian dollar had strengthened or weakened by 5% in relationship to all foreign currencies, with all other variables held constant including the use of foreign currency forward contracts, the Plan's net assets would have decreased or increased, respectively, by approximately $17,233 (2022 - $15,366).

(ii) Interest rate risk:

Interest rate risk refers to the effect on the fair market value of the Plan's assets and liabilities due to fluctuations in market interest rates. The Plan's interest rate risk is limited to fluctuations in the Canadian and non-Canadian bonds funds.

As at June 30, 2023, had prevailing interest rates increased or decreased by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, the Plan's investments in Canadian government and government guaranteed bonds and Canadian corporate bonds would have decreased or increased by approximately $14,753 (2022 - $13,493).

5. Risk management (continued):

(a) Market risk (continued):

(iii) Other price risk:

Other price risk is the risk that the fair value or future cash flows of an investment will fluctuate because of changes in market prices (other than those arising from foreign currency risk and interest rate risk), whether those changes are caused by factors specific to an individual investment or its issuer or factors affecting all similar securities traded in the market. All investments present a risk of loss of capital. The maximum risk resulting from investments is equivalent to their fair value. As all of the Plan's investments are carried at fair value with fair value changes recognized in the statement of changes in net assets available for benefits, all changes in market conditions will directly result in an increase or decrease in net assets.

The most significant exposure to market price risk for the Plan arises from investments in equity securities. If equity prices on the respective stock exchanges for these securities had increased or decreased by 10% as at June 30, 2023, with all other variables held constant, the net assets of the Plan would have increased or decreased, respectively, by approximately $89,060 (2022 - $84,013).

(b) Credit risk:

The Plan is exposed to the risk of financial loss resulting from the potential inability of a counterparty to a financial instrument to meet its contractual obligations. The carrying amount of investments and amounts receivable represents the maximum exposure of the plan to credit risk.

The Plan’s SIPP provides guidelines and restrictions for eligible investments taking into account credit ratings, maximum investment exposure and other controls in order to limit the impact of this risk. The Plan, through its external investment managers, minimizes the concentration of credit risk by trading with approved brokers and counterparties on recognized and reputable exchanges. The risk of default is considered minimal as all transactions are settled and paid for upon delivery using approved brokers.

(In thousands of dollars)

5. Risk management (continued):

(b) Credit risk (continued):

The credit risk exposure for the Plan's investment in bonds and debentures as at June 30 is as follows:

		2023		2022
Credit rating	% of investments	$	% of investments	$
AAA	4.1%	$ 66,434	3.5%	$ 51,185
AA	6.7%	108,007	8.7%	128,573
A	3.1%	49,874	3.3%	49,120
BBB	4.0%	64,532	3.1%	45,631
Below BBB	4.1%	65,454	4.3%	63,204
Not rated	2.1%	34,123	1.6%	23,486
	24.1%	$ 388,424	24.4%	$ 361,199

(c) Liquidity risk:

Liquidity risk is the risk that the plan will not be able to meet its financial obligations as they become due because of an inability to liquidate assets. For the Plan, liquidity requirements are managed through income generated from investments, monthly contributions made by members and the employer, and by investing in liquid assets that are easily sold and converted to cash. These sources of funds are used to pay pension benefits, make additional investments and fund operating expenses, and the Plan maintains sufficient cash and cash equivalents to meet its liquidity requirements in the short and longer term.

The Plan's liabilities reflected in these financial statements have contractual maturities of less than 30 days and are subject to normal trade terms. The liquidity risk exposure for the Plan's investments as at June 30 is as follows:

	< 1 year	1 - 5 years	5 - 10 years	> 10 years	Total
2023	$ 6,817	$ 118,412	$ 136,051	$ 114,089	$ 375,369
2022	$ 8,353	$ 116,228	$ 127,272	$ 97,537	$ 349,390

(In thousands of dollars)

6. Investment income and realized gains:

	2023	2022
Interest:		
Cash and short-term investments	$ 4,488	$ 16
Fixed income	6,767	6,376
Fixed income pooled funds	4,591	7,031
Dividends:		
Equities	21,642	20,098
Equity pooled funds	5,132	3,610
Real estate pooled funds	109	185
Infrastructure funds	15,055	11,013
Security lending income	104	141
	57,888	48,470
Realized gains (losses):		
Cash and short-term investments	176	(7)
Fixed income	(2,610)	(2,101)
Equities	44,408	70,828
Equity pooled funds	(7)	6,411
Infrastructure funds	68	39
	42,035	75,170
	$ 99,923	$ 123,640

7. Administrative expenses:

	2023	2022
Investment counsel fees	$ 6,179	$ 5,943
Actuarial fees	378	105
Trust company fees	403	407
Auditor's fees	32	34
Administrative and management (note 9)	646	547
	$ 7,638	$ 7,036

8. Capital disclosures:

The main objective of the Plan is to sustain a certain level of net assets in order to meet the pension obligations. The Plan defines capital as the net assets available for benefits. The Plan fulfills its primary objective by adhering to specific investment policies outlined in its Statement of Investment Policies and Procedures (SIPP), which is reviewed annually by the Pension Committee and approved by the Carleton University Board of Governors. The SIPP was last amended effective June 30, 2020. The Plan manages net assets by engaging knowledgeable investment managers who are charged with the responsibility of investing existing funds and new funds (current year's employee and employer contributions) in accordance with the approved SIPP. Increases or decreases in net assets are a direct result of investment income or losses generated by investments held by the Plan, contributions into the Plan by eligible employees and by Carleton University and benefit payments to Plan beneficiaries. The main use of net assets is for benefit payments to eligible Plan members. The Plan is required to file annual fund financial statements with the Financial Services Regulatory Authority.

The Plan's investment objective has been set in the SIPP to earn a 4.1% long-term real return, after investment management fees, over the long term (10 years or more). The Plan's annualized rate of return as of June 30, 2023 was 11.7842% ((6.3725)% as of June 30, 2022).

The SIPP permits six categories of assets. The total investment annual rate of return is measured against a set benchmark portfolio. The investment portfolio is expected to produce a return which is better than the return on the respective benchmark portfolio by 1%. The Plan's investments were allocated within the allowed asset categories range, as of the date of the fund financial statements.

(In thousands of dollars)

8. Capital disclosures (continued):

The following table presents the asset allocation and annual rate of return for each asset category:

		Asset allocation (%)			Annual rates of return (%)			
		As at June 30			Benchmark		Actual	
Asset categories	Benchmark	SIP&P Target	2023	2022	2023	2022	2023	2022
Cash and short-term	DEX (SCM) 91-Day T-Bill	0.0	0.1	(0.1)	3.7	0.4	(3.3)	(1.29)
Fixed income	DEX Universe	20.0	21.4	21.2	3.2	(11.39)	3.7	(10.96)
Canadian equities	S&P/TSX Capped Composite Index	25.0	25.2	27.6	10.4	(3.87)	12.2	0.99
High-yield debt	BoAML US High Yield Constrained Index	5.0	4.2	4.2	8.1	(12.92)	8.3	(11.75)
Global infrastructure	CPI + 5.0%	15.0	12.1	11.7	8.4	12.73	16.5	17.80
Non-Canadian equities	Morgan Stanley Capital International (MSCI) World Index	25.0	26.7	26.1	22.0	(11.00)	21.2	(11.16)
Global Small Cap equities	Morgan Stanley Capital International (MSCI) World Small Cap Index	5.0	6.1	4.9	15.9	(18.71)	36.6	(14.14)
Emerging Markets Equity	MSCI Emerging Markets Equity Index	5.0	4.2	4.4	4.4	(22.17)	5.5	(28.22)
		100.0	100.0	100.0	11.1	(7.04)	11.8	(6.37)

The Plan's investment positions expose it to a variety of financial risks which are discussed in note 5 - risk management.

9. Related party transactions:

Included in administrative expenses are administrative and management charges in the amount of $579 (2022 - $492) paid to Carleton University, a related entity.

10. Security lending agreement:

The Plan participates in a security lending program with its custodian, whereby certain investments owned by the Plan were loaned to certain reputable brokers/dealers and financial institutions in return for a fee which was shared between the Plan and its custodian. Security lending revenue is reported as part of dividend and interest income in the amount of $104 (2022 - $141).

Retirement Fund
Audited Financial Statements

Feb. 15, 2024

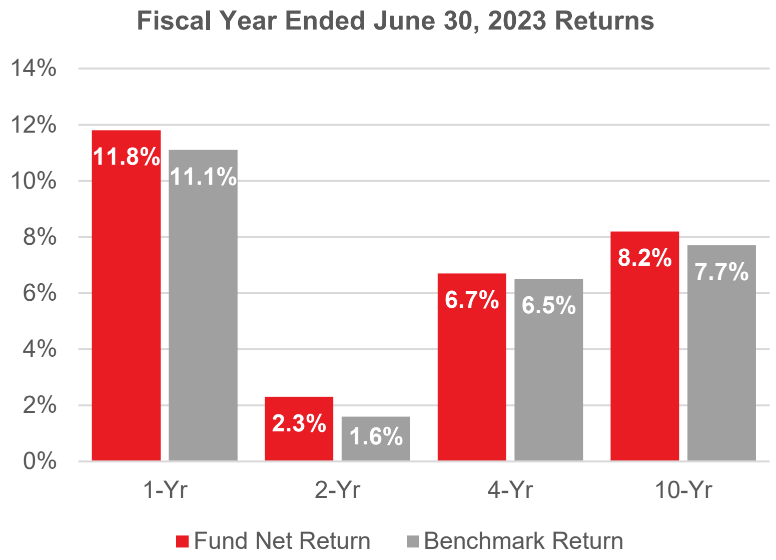
Carleton University

Design of the Plan

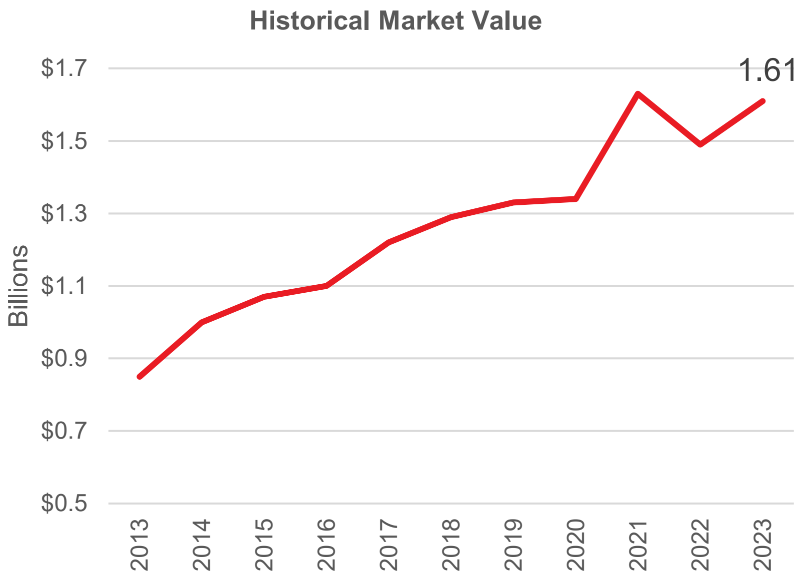
- Hybrid Plan
- Benefit is larger of:
  - Money Purchase pension (Defined Contribution pension)
  - Minimum Guarantee pension (Defined Benefit formula)
- Current contributions (% of pensionable earnings)
  - Employer 8.15%
  - Employee 5.05%
- Normal retirement age of 65
- Increases after retirement based on investment returns

Carleton University

Investments of the Retirement Fund



*4.7% gross fiscal YTD return to Dec. 31, 2023



Financial Statement Highlights

- Fiscal year end assets were $1.61 billion.
- Combined inflows were the contributions to the Retirement Fund from both employees and the employer as well as investment income from the fund's assets. Outflows were for pension and termination payments.

+	−
$95.1 million of Contributions and Income	$84.8 million in Benefit Payments

- Administrative expenses were $7.6 million which include external investment manager fees, custody costs, actuarial services, legal fees, performance measurement costs, regulatory filing fees, and salaries.
  - Relative to Retirement Fund assets this is an expense ratio of 0.47% vs the university sector pension median expense ratio of 0.52%.

Summary

- Audit provided an opinion that the statements are presented fairly in all material respects.
- Statements are prepared in accordance with financial reporting provisions of the Pension Benefits Act (Ontario).
- Statements are approved by the Pension Committee and are filed with Financial Services Regulatory Authority of Ontario (FSRA).
- Shared with the Audit and Risk Committee for information purposes.

Carleton University

BOARD OF GOVERNORS: REPORT

To:	Board of Governors	**Date of Report:** 18 January 2024
From:	Chair, Finance Committee	**Date of Meeting:** 6 March 2024
Subject:	**2023-2024 Operating Budget Update and Status of Reserves**	
Responsible Portfolio:	Vice-President (Finance and Administration)	

1.0 PURPOSE

☐ For Approval ☒ For Information ☐ For Discussion

2.0 MOTION

This item is for information only.

3.0 EXECUTIVE SUMMARY

This 2023-2024 operating budget update and status of reserves is provided to the Finance Committee to highlight changes in the operating environment that could have a material impact on the ability of the university to achieve its financial goals, and the reserves available to manage these changes. While there are minor variances amongst several revenue and expenditure items, there are no material operating impacts expected at this time. Though units continue to utilize reserves to help meet strategic objectives, our overall balance remains healthy in the near term.

4.0 INPUT FROM OTHER SOURCES

The update is developed with the support of the Office of Institutional Research and Planning (OIRP) on tuition and grant information, and in consultation with units such as Facilities Management and Planning (FMP), the Office of Risk Management, and Student Awards on key expenditure items.

5.0 ANALYSIS AND STRATEGIC ALIGNMENT

The review of key elements in the budget in January 2024 indicate that a balanced operating budget will still be achieved. While there are no significant variances anticipated at this time, management is monitoring several elements:

- Overall tuition revenue is estimated to be slightly below the original budget by $1.0 million. Combined undergraduate and graduate international tuition is estimated to be $10.4 million below budget. However, this is mostly offset by the expectation that domestic undergraduate and graduate tuition will exceed budget by $8.1 million and the fact that summer tuition was $1.5 million higher than budget.
- There are no anticipated changes to grant income. Miscellaneous income may see a $0.2 million positive variance.
- While interest rates remain high and there is a potential for investment income to exceed budget expectations, our short-term investments include equity investments which are subject to market fluctuations. As a result, we will remain conservative with our investment income projections at this time and assume they will not vary significantly from budget.
- We continue to monitor our central university budgets closely and are expecting a small ($0.9 million) negative variance against budgeted costs. This cost escalation is the result of a necessary fire maintenance project exceeding allocated budget, a slight increase in utility costs, and an additional reserve for student bad debts. Given world events, there may be impacts on international students' ability to move money out of their home country and meet student fee commitments.

- As enrolment is not growing at the planned rate, the Enrolment-Linked Budget Allocation is unlikely to be fully distributed and a net $1.7 million savings in contingencies will result.

With respect to the university's reserve funds, research and ancillary reserves are both expected to increase, while general operating, capital and project reserves will decrease as progress is made on activities that were curtailed during COVID. Overall, the university's internal reserves will decrease by approximately $31 million.

6.0 FINANCIAL IMPLICATIONS

As operating grants have been capped, and domestic tuition fees remain frozen after a 10% decrease in 2019-2020, meeting enrolment targets is key to our financial sustainability. While the university is likely able to meet overall revenue targets this fiscal year, management of key expenditures remains a critical objective for university management. The university has adequate reserves to address any short-term effects of dips in enrolment and continues to employ a five-year planning framework to ensure financial stability over the longer term. However, as these reserves are utilized, surplus investment income included in the operating budget will begin to drop.

7.0 RISK, LEGAL AND COMPLIANCE ASSESSMENT

The latest financial projection for the operating budget indicates that the university should meet its balanced budget target for 2023-2024, thereby reducing financial risks for the university as a whole. The availability of reserves to offset any negative variances, should they arise, also reduces financial risk. Carleton's conservative approach to finances and budgeting are a key risk mitigation measure that allows the university to maintain its long-term operations and weather shorter-term financial risk or events.

8.0 REPUTATIONAL IMPLICATIONS AND COMMUNICATIONS STRATEGY

Given the general financial difficulties faced by Ontario universities, providing a balanced message to our stakeholders is imperative. The short-term ability to maintain a balanced budget in the current fiscal year should not mask structural deficit challenges that are our reality in the medium term.

9.0 OVERALL RISK MANAGEMENT ANALYSIS

	VERY LOW	LOW	MEDIUM	HIGH	VERY HIGH
STRATEGIC	☐	☒	☐	☐	☐
LEGAL	☒	☐	☐	☐	☐
OPERATIONAL	☐	☒	☐	☐	☐
TECHNOLOGICAL	☒	☐	☐	☐	☐
FINANCIAL	☐	☒	☐	☐	☐
REPUTATIONAL	☐	☒	☐	☐	☐

Operating Budget Update 2023-2024 and Status of Reserves

Feb. 15, 2024

2023-2024 Operating Budget Update

- Minor variances but overall, continuing to track on budget
- Tuition likely $1.0 million below budget but no other significant revenue variances
- Minor variances in some campus facility budgets
- Savings expected in contingency budgets
- Depts, particularly administrative, continue to draw on reserves

Carleton University

2023-2024 Operating Budget Update

Variance to budget	As of Nov'23 $M	As of Feb'24 $M
Tuition revenue	($ 0.5)	($ 1.0)
Miscellaneous income	-	$0.2
Utility, custodial, fire maintenance costs	($ 0.5)	($ 0.6)
Bad debt	($ 0.3)	($ 0.3)
Contingency savings	$ 1.3	$ 1.7
Total variance from budget	-	-

Carleton University

Status of Reserves

- Reserves are referred to as Internally Restricted Net Assets on the audited financial statements
- Used as a key metric by the Council of Ontario Universities (COU) and the Ministry for financial sustainability
- General, Capital and on-going IT and facility project reserves are expected to be drawn down by $40 million; Research and Ancillary reserves will increase for net decrease in reserves of $31 million to $412 million
- Viability and Reserve Ratio metrics expected to remain above sector averages

Internally Restricted Net Assets

$Million	2019-20	2020-21	2021-22	2022-23	2023-24 Estimate
General Appropriations	108	119	112	97	78
Strategic Allocations	17	20	20	33	33
Capital Reserves	86	54	65	52	43
Investment Income Equalization	40	74	39	39	39
Pension Liability Reserve	69	69	69	69	69
Ancillary Reserve Fund	40	21	22	36	40
Research Initiatives	47	50	54	59	64
Other projects (Def Mtce, IT)	42	55	62	58	46
Total	449	462	443	443	412

Carleton University

Reserve Financial Metrics

	Estimate 2023-2024	2022-2023	2022/2023 Ontario Medium-sized Average
Primary Reserve Ratio (days)	**210**	**223**	**146**
Expendable Net Assets/Total Expenditures - # of days we can operate without any new resources			
Viability Ratio	**164%**	**171%**	**116%**
Expendable Net Assets/LT Debt – funds on hand to settle long term debt			

Carleton University

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 October 20 2023 at 2:00 pm
Pigiarvik 608

OPEN SESSION

Minutes

Present in Person: E. Abou Zeid, B. Albright-Peakall, S. Blanchard, A. Bordeleau, A. Bowker, S. Burges, B. Campbell, J.P. Corriveau, L. Dyke, K. Graham, M. Haines, S. Hawkins, D. Hornsby, D. Howe, M. Huckvale, L. Kostiuk, A. Lannon, A. MacDonald, J. Malloy, J. Mason, D. Mendeloff, A. North, P. Rankin, O. Shafiq, D. Siddiqi, E. Sloan (Clerk), P. Smith, D. Sprague, K. Taylor, J. Tomberlin (Chair), C. Viau, P. Wolff.
Present via Zoom: H. Babb, H. Becker, F. Brouard, W. Chung, A. Clarke, R. Goubran, T. Haats, B. MacLeod, L. Madokoro, L. Marshall, K. Moss, H. Nemiroff, B. O'Connor, B. O'Neill, A. Park, M. Rooney, S. Seneviratne, G. Wainer, J. Wallace
Regrets: J. Armstrong, M. Baez, M. Barbeau, E. Cyr, M. DeRosa, R. Gorelick, N. Hagigi, K. Hellemans, F. Lepore, P. Mkandawire, L. Moffitt, J. Murray, M. Pearson, G. Pickton, C. Smelser, J. Taber, M. Taghavishavazi
Absent: D. Caratao, S. Everts, Y. Gandhi, S. Rajput, M. F. Riazudden
Recording Secretary: K. McKinley

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1. Welcome & Approval of Agenda

The meeting was called to order at 2:02 pm. The Chair welcomed Senators and noted that the meeting would begin with a Closed Session for graduation approvals. The Chair reminded Senators that Fall Convocation will be held on Saturday November 4, and that registration to participate in the faculty procession closes at end of day October 20.

It was **MOVED** (C. Viau, M. Haines) that Senate move into the Closed Session of the meeting.
The motion **PASSED**.

Non-Senators were asked to withdraw from the chamber for the duration of the Closed Session.

(See separate document for Closed Session Minutes.)

Continuation of Open Session minutes following end of Closed Session:

It was **MOVED** (S. Blanchard, K. Graham) that Senate approve the open agenda for the meeting of Senate on October 20, 2023, as presented.
The motion **PASSED**.

2. Minutes: September 22, 2023

The Chair noted one slight error on page 8 (Reports – SCCASP) in the title of the first item for approval.

With this correction, it was **MOVED** (M. Haines, D. Sprague) that Senate approve the minutes of the Senate meeting on September 22, 2023, as amended.
The motion **PASSED**.

3. Matters Arising

There were none.

4. Chair's Remarks

The Chair began his remarks by expressing sympathy for all those affected by the ongoing violence in Israel and Gaza. He asked for a moment of silence to acknowledge the continuing suffering of all affected by this conflict.

The Chair noted the following recent events on campus:

- Orange Shirt Day was recognized on campus with a number of events. An "Every Child Matters" flag was flown on September 29 and 30th.

- An inaugural Pride Week was held the week of October 10, with the launch of a newly redesigned Pride Crosswalk.
- The 5th annual Inclusion Week was held October 16 – 20, to raise awareness of inclusivity and celebrate all members of the Carleton community.

The Chair thanked organizers and volunteers who contributed to the success of these events.

The Chair noted the following recent Carleton achievements:

- Carleton's Experiential Learning Hub was officially opened on October 11. Located on the 6th floor of Southam Hall, the Hub includes three studios to support experiential learning and to further educational advancements.

- Carleton University ranked within the top 5 of the Best Comprehensive University category in the most recent Macleans University rankings. Other Top 5 highlights include a #1 ranking in Social Sciences and Humanities Grants, #4 ranking in Scholarships and Bursaries, Student Awards and Faculty Awards, and #5 ranking in Medical/Science Grants.

Finally, the Chair reminded Senators of Carleton's annual United Way Campaign, from October 25 to November 14. This is an important Carleton tradition and an opportunity for Carleton to help those within our community who are in need. Many events and activities are planned, including a Silent Pumpkin Auction between October 24 and 27. Senators were encouraged to visit the United Way Campaign webpage for more information.

5. Question Period

Four questions were submitted by Senators for this meeting:

<u>Questions submitted by Root Gorelick</u>

Question 1: Instructors can upload mid-term exams to the McIntyre Exam Centre (MEC) website, from which MEC prints and distributes exams to all PMC students. MEC provides the same service for final exams, with the bonus that MEC then prints and distributes final exams to ALL students, not just PMC students. Can that latter process of MEC dealing with all students be extended to mid-term exams?

Response from VP Students & Enrolment Suzanne Blanchard: This could be possible, but would require extra resources and funding to implement, and might necessitate extra charges to units for the printing and staffing.

Question 2: Why do we call this body "senate"? The etymological root of SENATE is the same as SENILE, referring to a group of old men. As a poignant example, only in 2009 did the U.S. Senate first allow female senators into its swimming pool because a few erstwhile male senators wanted to continue swimming without women present. Not all Carleton senators are old or male, so could we change the name to something less stodgy and more inclusive, such as COUNCIL or COLLEGIUM? Such change would require amending many documents, including the Carleton University Act, so would require approval by Carleton's Board of Governors and approval by Ontario's Legislature and Lieutenant-Governor. Nonetheless, I believe that increased inclusivity makes such an onerous change worthwhile.

Response from Interim President Jerry Tomberlin: The term may be outdated and may have questionable connotations, but changing it would require opening the Carleton University Act, which would not be advisable.

<u>Questions from Jody Mason & Morgan Rooney</u>:

Jody Mason: The current Self-Declaration for Academic Consideration form for students is a very important document that is unfortunately very difficult to locate. I've written to the Registrar's Office about this issue. The document is not located on the Registrar's Office website, although this site contains a section that would be appropriate for such a document ("Student Documents"). Instead, students searching for the form from a search engine find a direct link to the pdf, which leaves them wondering if they have the correct / current form. Given the importance of this document, can Senate recommend that the Registrar's Office put the form on their website?

Morgan Rooney: Late in Fall 2022, on the recommendation of SCCASP, Senate approved the use of the Self-Declaration Form for students in lieu of medical documentation. The form that students are directed to complete is a PDF, where they enter their information, print or save the document, and then submit it in paper or electronic form to their instructor (for term work) or the Registrar's Office (for official exams), as the situation requires. That is, except in cases where the student submits directly to the Registrar's Office, the instructor is the only Carleton employee who has access to the record. Did the Registrar's Office consider using something such as a Wordpress form (where all submissions could be centrally stored as well as automatically emailed to the relevant parties) to streamline the process and create a central repository for these documents? That is, would it not be helpful for Carleton to be able to track students who frequently avail themselves of the self-declaration form, both so we can identify students in need and support them, as well as those who might abuse the process? If this approach was originally considered and then abandoned, what was the rationale:

Response by Vice-President Students & Enrolment Suzanne Blanchard: Once the Academic Consideration Policy for Students in Medical or other Extenuating Circumstances is *approved, the form will be revised so that it is fillable and trackable, and more visible. In response to a follow-up question, the VPSE replied that there is no limit to the number of times the form can be filled out by a student, but the RO will be tracking and will follow-up with the student if multiple instances are noted.*

6. Administration (Clerk)

a. Membership ratifications

The Clerk presented a motion to ratify two new Senators:

- Rebecca Renfroe – Faculty member from Sprott
- Robert Nelson – new graduate student

It was **MOVED** (E. Sloan, D. Siddiqi) that Senate ratify the new Senate appointments, as presented, for service beginning immediately.
The motion **PASSED**.

b. Report on Annual Senate Committee Chairs and Secretaries Meeting

The Clerk reported on the recent meeting on October 2 with the Chairs and Secretaries of the Senate standing committees. Corporate Archivist Shannon Hodge spoke to the group about the use of Teams channels for document sharing and records management. Other topics for discussion included student engagement and confidentiality concerns, particularly for appeals committees.

7. Reports:

a. SCCASP (D. Siddiqi)

Committee Chair Dan Siddiqi presented three items for approval and two items for information.

Items for Approval:

Academic Consideration Policy for Students in Medical or Other Extenuating Circumstances
It was **MOVED** (D. Siddiqi, H. Nemiroff) that Senate approves the Academic Consideration Policy for Students in Medical or Other Extenuating Circumstances effective for the Winter 2024 session as presented.

Discussion:

Committee Chair Dan Siddiqi provided some historical context to the formation of this policy. He noted that in the mid-2010s, various departments and units across the university reported a number of issues and concerns with the medical note protocol used by students to obtain accommodations in the case of illness:

- Health & Counselling Services were becoming over-burdened with requests for medical notes.
- It was expected that the process for requesting medical notes would soon be restructured via legislation.
- Producing medical notes had become a cottage industry of sorts for some doctors. Mass production of these notes made it easy for students to produce forgeries.

The value of the medical note for the professor had become questionable, and the request for notes created both a burden on university resources, and a drain on students' finances.

As a result, SCCASP performed a benchmarking study to learn what protocols or models were being used by other universities, then drafted the Medical Accommodations Policy. When the pandemic began, the Registrar's Office rolled out the Self-Declaration Form, which was then approved by Senate in November of 2022. After several semesters of use, the Registrar's office determined that there was no significant change in the rate of abuse of process between the medical note and self-declaration protocols.

The Medical Accommodations Policy subsequently underwent further review and revision to address mental health issues of students. In completing the current draft, SCCASP is making the following recommendations:

- Forms will be submitted electronically. The Registrar's Office is responsible for administering the form and for alerting stakeholders, while preserving the privacy of the student(s).
- Submissions will be tracked in a way that protects the privacy of the student.
- There is no difference between referrals for interim coursework vs. final exams.

- There should be no limits on the number of times the self-determination form is used. Imposing limits would be contrary to the goal of identifying students' potential mental health issues.
- The forms should be accepted in good faith. Abuse of the policy would constitute an academic integrity violation which would be addressed through a different process.

During the discussion, the VP Students & Enrolment noted that the student will be able to access the fillable self-declaration form online. All submissions will go through the Registrar's Office and the instructor will receive the information as well. The RO will track the data and assess supports needed for the students. The data can also be used to track how mental health resources are being accessed and if more resources are needed. Students will be informed via the guidelines about data tracking and privacy.

A Senator asked for clarity regarding the types of accommodations allowed. In response it was noted that learning outcomes of the course must be preserved and that instructors may still accommodate students the way they normally would, with some restrictions. More guidelines may be found in section 4 of the undergraduate calendar.

Several Senators expressed concern with the potential for abuse of this system by students. The VP Students & Enrolment responded that data indicates that trends for abusing this system are low. Frequent use of the form could indicate mental health issues, which are important to identify and act upon. The RO also tracked the use of the form for midterms and did not see an increase in the number of requests via medical notes. In cases where a trend is evident, the RO will contact the student to investigate and offer support. Instructors may also submit a Care Report, and the Registrar's Office will follow up with the student.

Other Senators noted that the policy may help students in need but can result in an increase in workload for instructors, because it is easier for students to use. One Senator reported that in his Faculty junior faculty members with large classes are finding the increased workload challenging. In response it was noted that the increase in deferral requests could be due to an increase in mental health issues among students. In addition, there may be significant differences in numbers of requests per department or Faculty; enhanced data tracking could provide more clarity. The RO will continue to collect and monitor the data, to look for trends and to see if any adjustments are needed in the policy.

The motion **PASSED**.

R-UG-4.3 Deferred Final Examinations (changes as a result of new policy)
It was **MOVED** (D. Siddiqi, K. Graham) that Senate approves the revisions to Regulation: TBD-1887 R-UG-4.3 Deferred Final Examinations effective for the 2023/24 Undergraduate Calendar as presented.
The motion **PASSED**.

TBD-1888; R-UG-4.4 Deferred Term Work (changes as result of new policy)
It was **MOVED** (D. Siddiqi, A. North) that Senate approves the revisions to TBD-1888 R-UG-4.4 Deferred Term Work, effective for the 2023/24 Undergraduate Calendar as presented.
The motion **PASSED**.

Items for Information:
- Procedure for Academic Consideration Policy
- Academic Consideration Policy – Guidelines for Instructors

b. **SAGC** (E. Sloan)

Committee Chair Elinor Sloan presented a motion to ratify 9 new committee members:

1) Senate Executive Committee
    - Elie Abou Zeid (Graduate student)

2) Senate Committee on Curriculum, Admissions and Studies Policy (SCCASP)
    - Sarah Ferguson (Graduate Student)

3) Senate Quality Assurance and Planning Committee
    - Siva Sivathayalan (Faculty member – FED)

4) Senate Academic Integrity Appeals Committee

- Sana Mohsni (Faculty member - Sprott)
- Pam Wolff (Faculty member - Science)
- Ayshia Bailie (Graduate student)

5) Senate Graduate Student Appeal Committee
    - Harsh Thakkar (Graduate student)

6) Senate Review Committee
    - Rodney Nelson (Faculty member – Sprott)
    - Izuchukwu Maduekwe (Graduate student)

It was **MOVED** (E. Sloan, D. Hornsby) that Senate ratify the nominees for Senate committees, as presented, for service beginning immediately upon approval. The motion **PASSED**.

8. Reports for Information:

a. Senate Executive Minutes – September 11, 2023

b. Annual Report from the Senate Library Committee

There was no discussion of these items.

9. Other Business

There was none.

10. Adjournment

The meeting was adjourned (M. Haines, D. Siddiqi) at 3:29 p.m.

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 November 24, 2023 at 2:00 pm
Pigiarvik 608

OPEN SESSION

Minutes

Present in Person:, B. Albright-Peakall, M. Baez, M. Barbeau, S. Blanchard, A. Bordeleau, A. Bowker, B. Campbell, W. Chung, E. Cyr, M. DeRosa L. Dyke, S. Everts, R. Gorelick, R. Goubran, K. Graham, T. Haats, N. Hagigi, M. Haines, S. Hawkins, K. Hellemans, D. Hornsby, D. Howe, M. Huckvale, L. Kostiuk, A. Lannon, F. Lepore, A. MacDonald, B. MacLeod, L. Madokoro, J. Mason, D. Mendeloff, P. Mkandawire, L. Moffitt, J. Murray, R. Nelson, B. O'Neill, P. Rankin, R. Renfroe, M. Rooney, O. Shafiq, D. Siddiqi, E. Sloan (Clerk), M. Taghavishavazi, K. Taylor, J. Tomberlin (Chair), C. Viau, G. Wainer, P. Wolff
Present via Zoom: J. Armstrong, H. Becker, F. Brouard, S. Burges, J.P. Corriveau, L. Marshall, H. Nemiroff, B. O'Connor, S. Seneviratne, P. Smith, J. Wallace
Regrets: J. Malloy, A. Park, M. Pearson, G. Pickton, J. Taber
Absent: E. Abou Zeid, H. Babb, D. Caratao, A. Clarke, Y. Gandhi, K. Moss, A. North, S. Rajput, M. F. Riazudden, C. Smelser, D. Sprague
Recording Secretary: K. McKinley

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1. Welcome & Approval of Agenda

The meeting was called to order at 2:02 pm. The Chair welcomed Senators and noted that the meeting would begin with a Closed Session.

It was **MOVED** (G. Wainer, M. Haines) that Senate move into the Closed Session of the meeting.
The motion **PASSED**.

Non-Senators were asked to withdraw from the chamber for the duration of the Closed Session.

(See separate document for Closed Session Minutes.)

Continuation of Open Session minutes following end of Closed Session:

It was **MOVED** (C. Viau, D. Hornsby) that Senate approve the open agenda for the meeting of Senate on November 24, 2023, as presented.
The motion **PASSED**.

2. Minutes: October 20, 2023 (open session)

It was **MOVED** (M. Haines, J. Mason) that Senate approve the minutes of the open session of the Senate meeting on October 20, 2023, as presented.
The motion **PASSED**.

3. Matters Arising

There were none.

4. Chair's Remarks

The Chair began his remarks with a brief report on Fall Convocation, which was held on Saturday November 4. Over 850 graduating students crossed the stage, and Dr. David Sinclair was presented with an honorary degree for his contributions to experimental sub-atomics. The Chair thanked all who attended and otherwise contributed to make the day memorable.

The Chair then reported that Canada's Top 100 Employers has for a second consecutive year distinguished Carleton University as a leading employer. This prestigious recognition reflects Carleton's commitment to excellence in eight key areas: work atmosphere, health and family-friendly benefits, vacation and personal time-off policies, employee engagement, training and skills development, and community involvement.

Carleton's Students & Enrolment division has achieved the Canada Awards for Excellence Gold Level Certification from Excellence Canada's Organizational Excellence Standard

(AC1). The gold level indicates that Carleton has achieved a comprehensive approach to excellence, innovation and wellness, with positive results and quantifiable improvement.

The Chair noted the following faculty achievements:

- Professor Winnie Ye from the Department of Electronics has been named a Fellow of Optica, the leading society on optics and photonics. This honour reflects Professor Ye's exemplary volunteer leadership and outstanding contributions to silicon photonics research and technology.
- Emily Gray, Academic Director of Sprott's Master of Accounting Program, has been elected as a Fellow by the Chartered Professional Accountant Ontario Council, for her extraordinary service to the profession. The Chair noted that becoming an FCPA is the highest honour a CPA can receive.
- Professor Steven Cooke from the Department of Biology is on the world Highly Cited Researchers list for the fourth year in a row. Those on the list have demonstrated significant influence in their field through the publication of multiple, highly cited papers over the last decade.
- Joana Rocha has received the 2023 Elsie MacGill Education Award for her work on aeroacoustics. The award, named after aviation pioneer and human rights activist Elsie Gregory MacGill, recognizes outstanding women across seven categories.

The Chair noted that the Faculty of Engineering & Design at Carleton has proudly joined the Indigenous and Black Engineering and Technology (IBET) PhD Project. This partnership aims to increase the number of Indigenous and Black faculty in engineering and computer science fields across Canada by providing financial support and fostering a supportive, respectful community for its fellows.

The Chair also reported on the Blue Ribbon Panel Report, which was officially received by the Ontario provincial government. The Blue Ribbon Panel was commissioned by the Ontario government to provide advice to the government on strategies to ensure the long-term financial sustainability of Ontario's postsecondary education sector. Some key recommendations in the report include modest increases in government grants and domestic tuition. COU is calling on the government to implement the recommendations immediately to alleviate some of the financial challenges Ontario colleges and universities have been experiencing for the past several years. The COU will continue to monitor the government's response to the report. The Chair noted that even if the recommendations are implemented by the government, Carleton would still face the need for significant budget cuts over each of the next 5 years.

In closing, the Chair highlighted the following upcoming events:

- **16 Days of Activism Against Gender-Based Violence** (November 25 – December 10). Carleton will share a variety of resources and information to raise awareness of this issue. Falling within the 16 days is the **National Day of Remembrance and Action on Violence Against Women**, also known as White Ribbon Day, on December 6th. This day honours the 14 women who were killed during a mass shooting at Montreal's Ecole Polytechnique in 1989.
- **Giving Tuesday** will be held on November 28th. This is a key date in Carleton's philanthropic efforts. The Chair encouraged Senators to visit Carleton's FutureFunder site and to consider supporting one or more of the 78 approved projects highlighted there.

5. Question Period

One group of questions was submitted by Senator Morgan Rooney. VP Students & Enrolment Suzanne Blanchard provided a written response that was circulated with the questions in the meeting binder.

Question Submission by Morgan Rooney:
In recent years, Carleton has seen an expansion of the number of 0.25-credit, 6-week courses (i.e., early and late Fall/Winter term courses). Our Academic Year webpage shows that we have dedicated periods for final exams and deferred exams for these courses. Do exams for 0.25-credit courses in September/October and January/February also have all of the same supports in place that we normally have, both for students (undergraduate and graduate) and instructors? For instance:

- Does SES create a global exam timetable, to limit scheduling conflicts / overloads for students?
- Do SES/PMC make arrangements for all accommodation requirements, for in-person and online testing?
- For in-person exams, does SES handle things such as photocopying test sheets and making test booklets available at or near the exam site?
- For online exams, does SES provide Brightspace support (i.e., quality assurance review prior to launch, live support during the testing period, etc.)?
- Does the RO process deferral requests from students and, when deferrals are granted, arrange for an alternate exam date?
- If the RO does process deferrals, does SES proctor those deferrals as they normally would for regular Fall/Winter exams?

Response from VP Students & Enrolment and University Registrar Suzanne Blanchard:
Yes, all of these supports are provided for the 0.25 courses.

6. Administration (Clerk)

The Clerk of Senate noted that any Senators taking a sabbatical or other leave next year must relinquish their Senate seats. She asked any Senators planning a leave to notify the Senate Office at their earliest convenience, so that the vacancy may be advertised during the Senate nomination period in February.

The Clerk also reported that vacancies on Senate for the current academic year still exist for faculty members from FASS and Science.

7. Reports:

a. Senate Committee on Curriculum Admissions & Studies Policy (SCCASP) (D. Siddiqi)

Committee Chair Dan Siddiqi presented two items for approval, four items for information, and a report on the movement online and use of SAT/UNS grading options during the 2023 Labour Dispute, as requested by Senator Morgan Rooney.

Items for Approval:

R-ADM-Program-BA-First Year Admission to BA (change to advance standing admissions requirements)
It was **MOVED** (D. Siddiqi, H. Nemiroff) that Senate approves the revisions to regulations R-ADM-Program-B.Z. First Year Admission to B.A. effective for the 2024/25 Undergraduate Calendar as presented.
The motion **PASSED**.

R-ADM-BID – Change to Admissions Requirements (deleting recommendation for calculus)
It was **MOVED** (D. Siddiqi, T. Haats) that Senate approves the revisions to Regulations TBD-1369 R-ADM-Program-BID effective for the 2024/25 Undergraduate Calendar as presented.
The motion **PASSED**.

Items for Information:

- Minor modifications for October and November (3 attachments)
- 2024-25 Academic Year

<u>Report on Questions re academic accommodations in the event of a Labour Dispute</u>:

The following summary report was presented by the committee Chair in the Senate meeting:

At four meetings, SCCASP discussed the move online and the adoption of the SAT/UNS grading scheme in light of the Senate policy named "Academic Accommodations during Labour Disputes" (henceforth Labour Dispute Policy). After this discussion, we found three questions to be answered for Senate:

1) Does Senate have a policy regarding changing the modality of a course as an accommodation for students? If so, was this policy followed? If not, does this fall under the Labor Dispute policy? If so, was the Labor Dispute followed?

Carleton does not have a policy regarding when and for what reasons changing course modality is an appropriate accommodation for students. This leaves as the only open question whether the pivot online that the majority of courses took was aligned with the Labour Dispute policy, which specifies that accommodations are left to the instructor until the 11th day of a labour disruption.

Rapidly shifting course modality has been available to instructors since we returned to the classroom after the Covid-19 campus closure and has been consistently used on an ad hoc basis by instructors for reasons such as the professor being afflicted with a communicable illness or inclement weather that restricts access to campus. Therefore, shifting course modality is a normal accommodation.

The communication from the then-Provost dated March 22, 2023 was issued in advance of the strike. It advised instructors that changing course modality is a tool in their toolbox that they "may choose" to use to accommodate students in the foreseeable disruption in transit services. This is in line with previous recommendations given by University leadership to accommodate transit disruptions, as, for example, deployed during the OCTranspo strike in 2008.

Therefore, Transit disruptions are normally considered circumstances that require accommodation. Therefore, the pivot online, since it was done by individual instructors for established normal reasons, was in accordance with the Labour Dispute policy. That so many individual instructors deployed this accommodation makes it seem like collective University action, but it was not. Many instructors did not offer this accommodation.

2) Does Senate have a policy on when and why to adopt the SAT/UNS grading policy? If so, was this policy followed? If not, does this fall under the Labor Dispute policy? If so, was the Labor Dispute followed?

On the 11th day of the labor action, the Academic Continuity Committee (ACC) was constituted in accordance with the Labor Dispute policy. It then recommended to Senate, the SAT/UNS grading scheme as a university-wide accommodation for the labor disruption. The motion was discussed on the Senate floor according to normal Senate procedures.

a. We find that this action taken by Senate was in full compliance with the Labor Dispute policy. These accommodations are squarely inside the purview of Senate and Senate duly voted on and enacted the accommodations.

That leaves only whether Senate has a policy on when and for what reason to deploy the SAT/UNS grading scheme first developed for Covid-19. SCCASP finds the following:

b. Senate has no such policy and, importantly, Senate cannot have such a policy, because Senate cannot restrict further motions by Senate.

3) In light of this discussion, does the Labour Dispute policy require immediate revision?

The Labour Dispute policy is up for mandatory review in 14 months. SCCASP has already added this policy to workflow, since so much discussion has already taken place.

<u>Discussion</u>:

In response to a question, the committee Chair confirmed that, in accordance with the Labour Dispute policy, the Academic Continuity Committee is not activated until the 11th day of the strike.

A Senator noted that the report contains an abundance of information, and asked why it was not circulated in advance to Senate. The Committee Chair apologized, and noted that the report will be included in the minutes of the meeting.

A Senator asked whether it would be possible to create a Senate policy on course modalities. The Committee Chair noted that small scale or temporary shifts in course modalities is an operational question, and would not be in the purview of Senate, but examples where an entire program is shifted online (such as the online MBA) would come to Senate.

There were no further questions.

b. **Senate Quality Assurance and Planning Committee (SQAPC)** (D. Hornsby)

Committee Chair David Hornsby presented 6 cyclical review reports for Senate approval, combined into one omnibus motion.

It was **MOVED** (D. Siddiqi, H. Nemiroff) that Senate approve the Final Assessment Reports and Executive Summaries arising from the Cyclical Review of the programs.
The motion **PASSED**.

Individual motions from the Omnibus:

- MOTION: That Senate approve the Final Assessment Report and Executive Summary arising from the Cyclical Review of the undergraduate programs in Criminology and Criminal Justice.
- MOTION: That Senate approve the Final Assessment Report and Executive Summary arising from the Cyclical Review of the undergraduate programs in Art History and History and Theory of Architecture and the Graduate programs in Art and Architectural History.
- MOTION: That Senate approve the Final Assessment Report and Executive Summary arising from the Cyclical Review of the undergraduate and graduate programs in Sociology.
- MOTION: That Senate approve the Final Assessment Report and Executive Summary arising from the Cyclical Review of the graduate programs in the School of Public Policy and Administration.

- MOTION: That Senate approve the Final Assessment Report and Executive Summary arising from the Cyclical Review of the undergraduate programs in Humanities.
- MOTION: That Senate approve the Final Assessment Report and Executive Summary arising from the Cyclical Review of the undergraduate and graduate programs in Religion.

A Senator asked why the external reviewers recommended 5 new hires for the Criminology and Criminal Justice program. The Dean of FPA responded that it is an unusual interdisciplinary program and that the external reviewers may not have been fully aware of how the program operates. However, since a request for more hires also came from the unit, the Faculty will be considering the feasibility of this request.

c. **Senate Academic Governance Committee (SAGC)** (E. Sloan)

Committee Chair Elinor Sloan presented two motions for Senate approval.

Motion to approve new Senate committee nominees:
SAGC recommended the ratification of the following nominees to fill vacancies these committees:

- Senate Quality Assurance and Planning Committee
  - Irene Lu (Faculty member – Sprott)
- Senate Library Committee
  - Hilary Becker (Faculty member – Sprott)
  - James Brunet (Faculty member – FED)
  - Rohan Sikka (Graduate Student)
- Senate Review Committee
  - Onita Basu (Faculty member from FGPA)

It was **MOVED** (E. Sloan, M. Rooney) that Senate ratify the nominees for Senate committees, as presented, for service beginning immediately upon approval. The motion **PASSED**.

Motion to change membership in SCCASP Terms of Reference
SAGC recommended the reduction in the number of FGPA representatives on SCCASP from 2 to 1. This change reflects current practice of the committee and was requested by the Chair of SCCASP.

It was **MOVED** (E. Sloan, D. Siddiqi) that Senate approve the changes to the Terms of Reference for the Senate Committee on Curriculum Admissions and Studies Policy, as presented.
The motion **PASSED**.

8. Reports for Information:

a. Senate Executive Minutes – October 6, 2023

b. Report from the COU Academic Colleague

There was no discussion of these items.

9. Other Business

There was none.

10. Adjournment

The meeting was adjourned (D. Hornsby, L. Kostiuk) at 2:48 p.m.