

**Minutes of the 587th Meeting of the
Board of Governors**

**Tuesday, December 2nd, 2014 at 4:00 p.m.
Room 2440R, River Building**

PRESENT:	Mr. A. Tattersfield, Chair	Dr. R. O'Reilly Runte	Ms. D. Alves
	Mr. H. Boyd	Ms. J. Caldwell	Dr. C. Carruthers
	Ms. G. Courtland	Ms. L. A. Daly	Mr. K. Evans
	Mr. N. Falvo	Ms. J. Gilbert	Prof. R. Gorelick
	Mr. E. Greenspon	Ms. P. Griffin-Hody	Mr. R. Jackson
	Mr. O. Javanpour	Prof. T. Kunz	Prof. M. MacNeil
	Dr. P. Merchant	Ms. C. Muehlberger	Mr. N. Nanos
	Mr. F. Odunayo	Prof. N. Rowe	Ms. R. Thompson
	Ms. L. Watson	Mr. B. Wener	Mr. M. Wernick
STAFF:	Ms. A. Bauer	Ms. S. Blanchard	Mr. D. Boyce
	Ms. J. Conley	Mr. D. Cumming	Mr. G. MacDonald
	Dr. K. Matheson	Dr. P. Ricketts	Ms. B. Springer
	Mr. T. Sullivan	Mr. D. Watt	Mr. B. Winer
REGRETS:	Ms. D. Armstrong	Mr. D. Craig	Mr. B. Hobin
	Ms. L. Levonian		

OPEN SESSION

1. CALL TO ORDER AND CHAIR'S REMARKS

The meeting was called to order at 4:01 p.m. The Chair noted that Governors received a booklet "*Carleton University – First in Aerospace*" developed by the office of the Vice-President (Research and International).

2. APPROVAL OF AGENDA

It was moved by Ms. Alves and seconded by Mr. Falvo that the agenda be approved, as presented. The motion carried.

3. CONSENT AGENDA

The Consent Agenda was circulated with the meeting documentation. It was moved by Mr. Falvo and seconded by Dr. Merchant that the Consent Agenda be approved, as presented. The motion carried.

4. BUSINESS ARISING FROM THE MINUTES

- Letter to Ontario government on tuition fees

The President reported that she met with representatives of CUSA and GSA to review the latest draft. A few additional changes were suggested. The President will incorporate these and circulate the letter to CUSA and GSA for confirmation.

5. PRESIDENT'S REPORT

The President reported that the University has been successful in reaching its enrolment targets in the last year, and in some categories, targets were surpassed. She commended the leadership of the Associate Vice-President (Students and Enrolment) and her team for their hard work. Recruitment efforts will continue to focus on international students and the GTA.

Carleton continues to create new and unique programs as this has proven successful in attracting students to Carleton. The University will execute its international recruitment strategy and continue to foster partnerships with community colleges.

Board members received written reports from Advancement and Student Support Services. The Director of Communications and the Supervisor, Creative Services presented a suite of six new videos supporting the university's recruitment activities. The new videos are part of a continuous process to elevate the quality of digital products being produced and to better communicate Carleton's unique campus and learning environment to prospects.

6. CHAIR'S REPORT

The Chair provided a report on the 2014 CCOU Governance Conference held November 7-8, 2014 in Toronto, Ontario. A copy of the report was circulated in advance of the Board meeting. Ten members attended the two-day conference and agreed that it was very informative and worthwhile attending. A highlight for most was the opportunity to network with colleagues from other universities.

7. COMMITTEE CHAIR REPORTS

The committee chairs and vice-chairs in attendance provided a brief overview of the activities of their respective committees.

8. ITEMS FOR ACTION

8.1 Framework for the 2015-2016 Operating Budget

The Vice-President (Finance and Administration) made a presentation. He provided a financial overview, changes since the spring 2014 when the 2014-2015 budget was approved, and the 2014-2021 planning framework. He reviewed the 2014-2015 Operating Revenues and Expenditures, noting that the government grant is solely based on student registration. He noted that the grants vary, depending on the programs students are enrolled in. Government funding has been reduced in the last several years.

Pension Status

The University has been approved for Stage 2 relief, as of May 2014. Special payments will be \$9.7 million annually for three years. The Plan value as of July 1, 2013 was \$850.1 million with a solvency deficit of \$159 million and a Going-Concern deficit of \$87 million. Mercer estimates that special payments will increase to approximately \$23 million for seven years, effective July 1, 2017 and without Stage 2 relief, special payments could be in the order of \$34.5 million annually.

2014-2021 Planning assumptions

Revenue

- Retention at current rate;
- Domestic tuition fees will increase 3% per year;
- First-year enrolment will mirror demographic projection; and
- Discounted government funding to university sector for undergraduate growth.

Capital Reserve Fund

- There is approximately \$98.4 million in the Capital Reserve Fund;
- All distributions require Board of Governors approval;
- Planned projects are the Health Science Building (\$45 million) and deferred maintenance (\$95 million);
- Potential future projects include the Business Building (\$40 million) and Cogeneration facility (\$20 million);
- A full report on deferred maintenance will be presented to the Finance and Building Program Committees in winter 2015; and
- The University plans to continue to augment the capital reserve fund to address unfunded deferred maintenance and future new construction.

Expenditures

- Extraordinary pension payments (started in 2010-2011);
- Annual base fund of \$1 million for mission-critical initiatives; and
- Enrolment-Linked Budget Allocation model in place that provides 40% of net new income from undergraduate growth to faculties.

Future Uncertainties

- Demographics – Participation rates
- Special payments to Pension Plan
- Provincial Operating Grant Reductions
- Three new undergraduate campus locations in the GTA
- Tuition fee policy

There was a discussion on how surplus funds are allocated. It was explained that the Operating Budget is prepared in March/April based on estimates of student enrolment. In September, the Finance Committee receives the Financial Report and makes a recommendation to the Board where the surplus funds should be allocated.

In response to a question relating to high tuition fees for international students, it was explained that Carleton is very successful in recruiting international students. Carleton's fees are average as compared to the Ontario system. The province of Saskatchewan has set their international tuition fees at the same level as domestic fees, yet Ontario has a higher international student enrolment.

It was noted that operating funds will need to be set aside for the capital reserve and the pension plan reserve. The Vice-President (Finance and Administration) explained that this is a line item reported on at the September Board meeting.

It was moved by Mr. Wener and seconded by Mr. Javanpour that the Administration be directed to develop a balanced 2015-2016 Operating Budget that will permit progress towards institutional priorities. The motion carried with two abstentions.

Ancillaries

The ancillary services consist of Athletics, Bookstore, Health and Counselling Services, Housing and Conference Services, Graphic Services, Parking and University Centre. Their mandate is to break even in terms of generating sufficient revenues to fund the cost of providing service. It was noted that Parking Services has a surplus of \$2 million. It was explained that the surplus will be used for debt financing for the parking garage.

It was moved by Mr. Wener and seconded by Dr. Merchant that the Administration be directed to develop the ancillary budget based on the Framework. The motion carried.

At the conclusion of this item, the Vice-Chair of Board presided over the meeting.

8.2 Financing for the Health Sciences Building

Governors received a working paper and the Capital Project Approval and Control Document. The Vice-President (Finance and Administration) explained that the Bachelor of Health Sciences program was officially launched in September 2014 and met its first-year enrollment target of 60 students. He provided a rationale to demonstrate the need for a new building. The Neuroscience and Mental Health program, launched three years ago, is seeing substantial growth. Including students in the base Neuroscience program, first-year student registrations this year are 98 as of September 8, up from 87 last year. This is putting significant pressure on department resources, both in terms of facilities for instruction and faculty. The Life Sciences Research Building is strained to capacity and has no space to support instructional laboratories. This does not include the strong enrolments in the Neuroscience graduate program, nor the Masters and Doctoral programs in Health Sciences that are prioritized through our Strategic Mandate Agreement with the province.

The new building would house the departments of Health Sciences and Neuroscience, allowing for efficiencies in the construction and utilization of both instructional and research spaces that would not be possible otherwise. The animal care facilities are in critical need of upgrade and would be incorporated in a new animal research facility into the new building. The existing facility in the Life Sciences Research Building would be decommissioned.

The Health Science Building will be approximately 100,000 square feet and include the following: public assembly space, lecture theatre (400 seats), electronic and interactive classrooms, student resource room, modular low (convertible to high service) and high service laboratories for instruction and/or research, office space, and animal research and vivarium (animal holding) facility (mice and rats only) and some shell space for future program growth.

The new Health Science Building will be located on the existing south end of Parking Lot 2. The University is planning to use the traditional design, bid, build method using a General Contractor.

With the appointment of the Design Team in November 2014, the University plans to complete the preliminary design for February 2015 to allow a construction start in October 2015, for substantial completion in August 2017 for occupancy in September 2017.

The estimated cost to construct the new Health Science Building is \$45,000,000. The 2014-2015 operating budget included a provision of \$22,500,000 towards the costs of a new Health Science building. As reported to the Finance Committee in the 2013-2014 Financial Report to the Board of Governors, capital reserves of \$98,000,000 were being held as at April 30, 2014. It is recommended that the remaining \$22,500,000 of the capital costs be funded from this reserve. In addition, a provision of \$1,300,000 per year has been made in the long term operating budget plan for the operating costs of the new building, starting in 2017-2018.

Governors were informed that the Finance Committee, at its meeting held on November 11, 2014, passed a motion recommending that the Board of Governors approve the funding of the new Health Science Building.

It was moved by Mr. Wener and seconded by Ms. Watson that the funding for the new Health Science Building be approved, as presented. The motion carried.

8.3 Selection Process for the Health Science Building Project – Design Team

The Vice-President (Finance and Administration) informed Governors that four design teams were short-listed through an open Request for Expression of Interest. Each team was asked to prepare a conceptual design for the facility and they made presentations to the Selection Committee. The unsuccessful teams received an honorarium in the amount of \$15,000.

The Selection Committee was comprised of the Chair and Vice-Chair of the Building Program Committee, one member of the Building Program Committee, the Vice-President (Finance and Administration), the Assistant Vice-President (Facilities Management and Planning); and the Dean, Faculty of Science. Following a careful evaluation by the Selection Committee, the recommended Design Team is Montgomery Sisam Architects Inc. / NXL Architects.

It was moved by Ms. Courtland and seconded by Ms. Daly that Montgomery Sisam Architects Inc. / NXL Architects be appointed as the Design Team for the New Health Science Building. The motion carried.

8.4 Amendments to the General Bylaws

The President explained that, at its meeting held on October 31st, 2014, Senate recommended increasing its membership by two members (from the Teaching Staff who are Contract Instructors). Accordingly, two governing documents required amendments: the General Bylaws and the Academic Governance of the University.

In terms of the General Bylaws, the composition of Senate is described in Article III. Revisions to reflect the new membership were reviewed. The Provost and Vice-President (Academic) suggested several minor changes to the proposed wording. The Board was asked to approve the Bylaws in principle, and the final version would be circulated for information.

It was moved by Mr. Javanpour and seconded by Mr. Nanos that the revised General Bylaws be approved. The motion carried.

8.5 Amendments to the Academic Governance of the University

Governors received the proposed revisions to the Academic Governance of the University, as a result of Senate's increase in membership. This document is a joint policy of the Board of Governors and the Senate of Carleton University, and requires

approval by both governing bodies. It was moved by Mr. Falvo and seconded by Prof. Rowe that the Academic Governance of the University be approved, as presented. The motion carried.

9. ITEM FOR INFORMATION

There were no items presented for information.

10. OTHER BUSINESS

There being no further business, the Open Session was adjourned at 6:07 p.m.