



NORTHERN ALBERTA INSTITUTE OF TECHNOLOGY

Minutes of the Special Meeting of the Board of Governors

Thursday, April 2, 2020
8:30-9:30 a.m.

Via WebEx

Members Present:	Ray Pisani (Chair) Chahd Alkahwaji Tara Chahl Yasmin Jivraj Janet Riopel Paul Verhesen	Daryl Kruper (Vice Chair) Valerie Berger Jamie Corfield Priti Laderoute Marlea Sleeman Kristina Williams	Dr. Ray Block Vi Becker Dr. Annemarieke Hoekstra Kris Mauthe Karen Velasco Pan Zhang
Resources:	Dr. Sue Fitzsimmons Clayton Davis	Sandra Marocco	Jeff Dumont
Regrets:	None		
Recorder:	Sandy Timmer		

1 CALL TO ORDER AND APPROVAL OF THE AGENDA

Mr. Ray Pisani welcomed everyone to this special meeting of the Board and thanked everyone for joining the meeting remotely due to the pandemic situation.

Mr. Pisani noted that at the February 28th Board meeting, the Board asked Management about NAIT's preparedness in the event of a pandemic as COVID-19 was starting to spread globally. He commended Management for leading the way and the Board has appreciated the many communications sent out to them to keep them apprised of what was taking place at NAIT as the pandemic progressed.

Mr. Pisani then called the meeting to order. He reminded the members that this meeting was called so that Board members would have a chance to contemplate and consider the proposed transformation plan that NAIT Executive presented at the February 28th Board

meeting. Mr. Pisani noted that the two Board members who were not available to attend on February 28th were subsequently given the presentation by NAIT Executive. Some questions from Board members were received and the questions along with Management's responses are in the appendices of the meeting package.

Today, Management will provide an update on the plan and we will have a motion on the plan.

There is a Consent Agenda item for approval and then the Board will move into an *in-camera* session.

Mr. Pisani asked if any members had a conflict of interest to declare with today's agenda and none were raised.

Moved by Kristina Williams that the agenda be approved as presented.

Carried

2 APPROVAL OF STRATEGIC DIRECTION FOR NAIT

2.1 Briefing Note re: NAIT's Transformation Plan

Dr. Block opened the discussion on the transformation plan that was presented to the Board on February 28th. Much has changed since that day in only one month. The current economic climate in Alberta had created significant financial challenges for NAIT and now has been intensified with the COVID-19 pandemic.

However, Dr. Block noted that the path that was set out with the transformation plan still positions NAIT for success both financially and for meeting our polytechnic mandate.

As has been noted before, in all the discussions on the transformation plan, staff have always been top-of-mind to ensure they are treated fairly and compassionately. We have kept staff apprised as we have moved along in this process with timely and transparent communications, which they have appreciated.

We know the choices that are to be made will impact all lives at NAIT. Along with those who will lose their jobs are the people who will remain. We initially called them the "survivors" but are now calling them our "rebuilders". We will be investing significantly in our rebuilders through this transition.

Also during this process, we wanted to ensure that we maintain student success and program excellence while supporting our people.

We have had a chance to launch our voluntary departure program, allowing staff to volunteer to leave NAIT, thereby either saving us money or allowing someone else's job to remain. The timing of our plan has been challenged with the effects of the COVID-19 pandemic but it is critical that we continue to move forward with our plans for NAIT's future sustainability.

Dr. Block thanked the NAIT Executive team for their tireless work these past few months as they have had much to deal with and work through. He then invited the executive to

provide brief comments on where we are at in each of their portfolios. He asked Clayton Davis to start with the Human Resources department.

Human Resources - Clayton Davis

Mr. Davis reiterated Dr. Block's earlier comment that much has taken place since the Board meeting on February 28th. We had launched our voluntary departure program (VDP) in early March, prior to the subsequent pandemic event, and there was a fair bit of uptake on the VDP. Then when the pandemic started to impact Canada and the financial markets, we had some who asked if they could back out as the falling markets were impacting their savings. We did allow people to back out if they so wished. Initially we had 140 people volunteer to depart from NAIT, more than we were anticipating. Ultimately, we approved 108 voluntary departures who met the criteria for eligibility. There were 26 that were directly related to the transformational plan and 34 who were indirectly related to the transformational plan. The voluntary departure plan worked and we were very pleased with the response to it.

Mr. Davis commented that he was impressed with many of those who put up their hands to voluntarily depart thereby allowing a fellow colleague's job to be saved. Many came up with creative ways to ensure their areas would still be functional with those who were not leaving.

Although there was a bit of concern expressed that we could lose our best talent, and while in a few cases this did happen, for almost all of these individuals the timing was right for them for them leave. Some are close to retirement and this was their incentive to move into their own next chapter; some were planning to move to another province so the timing worked for them. This will now allow opportunities for growth for others in their areas.

Overall, Mr. Davis concluded that the voluntary department program was successful as part of the transformational plan.

Finance – Jeff Dumont

Mr. Jeff Dumont reported on the Finance department. He noted that nearly all of our campus is now shut down due to COVID-19 and this has had a dramatic impact on our revenues while increasing our expenses.

Some examples of revenue declines are no ancillary revenues being received with the campus being closed, tuition and industry training revenues are much lower, and the decline in the markets has impacted our investments, and essentially most of our unrealized gains are mostly eliminated.

In the expenses area, we have expended a lot of resources with our Emergency Operations Centre, responding to COVID.

However, having most of our programs moved to online teaching has significantly reduced some expenses.

We will see annualized savings through the voluntary departure program. There will be an initial impact of about \$24M in severance for these departures but we will see annualized savings of about \$17.5M going forward. This should be realized in about 18 months. Jeff also noted that there will be layoffs coming after the VDP which will also impact our budget.

We received our Investment Management Agreement which includes our expense reduction targets which we must meet in order to obtain our funding.

The last notable item is that we have received Ministerial Directives on bargaining.

All of these factors will have an impact on our plan and we're doing our assessment on what needs to be done for our in-year plan and the challenges for next year's budget. We are assessing the costs of severance and what that will mean for our budget as well as the impending layoffs. While all of this will play a significant role as we work towards financial sustainability, it is critical that we continue to move forward with our plans. We are looking into the various relief programs from the federal and provincial governments for our staff and institute. We will have further information on this to bring forward to the Finance Committee meeting on May 5th.

Academic – Dr. Sue Fitzsimmons

Dr. Fitzsimmons commented that we remain committed to, and are confident with, our transformation plans for the changes in the academic portfolio.

The challenges with the current pandemic have impacted the academic portfolio greatly but it has also shown us how nimble we can be and how quickly we can adapt to new ways of teaching. There have been many areas in her portfolio that have had to learn to adjust to a new way of connecting at a distance to ensure business and student learning continuity. It has been remarkable.

Dr. Fitzsimmons wished to thank the academic staff who quickly found new ways to teach their classes to ensure their students do not fall behind. She also wanted to thank the ITS staff who immediately reacted to get instructors set up to teach remotely; as well as the task force and Emergency Operations Centre (EOC) team who rapidly responded to the COVID situation to ensure NAIT's community was kept safe. It has been extraordinary to see all that has been accomplished in a very short amount of time. Dr. Fitzsimmons noted that the functionality of our EOC was noticed outside of NAIT and was used as a model for other EOCs.

We are working with Apprenticeship Industry Training (AIT) on student progression in the skilled trades areas as these will be some of the most challenging for distance learning. We are hopeful that through this process we will make improvements in Alberta's apprenticeship system.

We continue with "both/and" thinking – we are both planning for business resumption and we recognize our rapid response to the COVID situation has led to incredible learning for our staff. We intend to take advantage of these lessons learned to "build back better" beyond what we would have normally done upon business resumption to create an even brighter future for NAIT.

Industry Partnerships and Industry Solutions – Sandra Marocco

Ms. Marocco advised that once NAIT announced it would be facing some involuntary staff reductions, our industry-facing team reached out to our donors and partners to ensure them this was in NAIT's best interests to make these reductions. The response from our donors and partners was positive and they supported NAIT's direction. Our industry partners commented that they wanted NAIT to succeed and to be positioned well for the future. Our donors did advise they were looking for other ways to donate as our economy is still struggling but they still wanted to help NAIT.

Although some of our industry partners are challenged with the economy and now with the COVID crisis, Sandra noted that none have pulled out of our partnership agreements, but some will be postponed.

Ms. Marocco wanted to thank her communications team for their tireless efforts to work on all the various communications going out to staff, students and the Board as we manage through the effects of the pandemic and our transformational changes. They are supporting management with their communications, preparing tool kits for leaders to deal with the staffing changes, and all the communications with NASA, NAITSA, AUPE and the Government. The communications team is also supporting our Emergency Operations Centre in all that they are doing to keep the NAIT community informed.

We have reached out to all of our large corporate donors as well as our alumni on what their needs are going forward.

Discussion then ensued with Board members and NAIT Executive on the updates. Mr. Dumont addressed questions on the finances and acknowledged that we still have some unknowns due to the effects of the COVID crisis. He noted that what we had planned to do, we have to do quicker than planned because of these extenuating circumstances.

It was noted that we have learned through this pandemic situation of our capacity to teach at a distance, which has been very enlightening and encouraging. It has given us insight as to what we are capable of without sacrificing student success. This will inform some of our decisions as we move forward.

The financial and pandemic impacts will also affect our future campus development plans which may need to have another review in due course. Some of our legacy systems, and legacy beliefs, were brought into focus due to the pandemic and we realized that we may have to accelerate our transformation plans as to how we will operate into the future. Some of these changes will certainly impact our financial situation in a positive way to meet some of our new budget realities.

It was noted that we are working with COPPOA to prepare a list of costs related COVID and we are submitting a request to the federal Government for subsidies on those costs. We are also discussing with both the provincial and federal Governments on stimulus funding. Although it is unknown at this time what that will mean, it is important that we explore all opportunities that are available.

The Board was assured that NAIT has the infrastructure in place to accommodate the sudden increase in demand on our technology for all the distance education that is now taking place. This was done a few years ago. It was important to note that as a

polytechnic, NAIT will still need to have hands-on education but we have learned that we can also provide some of our education solely online.

As there were no further questions, Mr. Pisani made a motion to approve the strategic direction proposed by management.

Moved by Ray Pisani that the Board of Governors approve the strategic direction as outlined by management on February 28, 2020. The timing to implement the transformation plans will be left to management's discretion.

Carried

3 CONSENT AGENDA

3.1 Approval of the Process to Appoint Board Vice Chair

Moved by Ray Pisani that the Consent Agenda item be approved as presented.

Carried

4 IN-CAMERA SESSION

Moved by Priti Laderoute that the Board move to an in-camera session.

Carried

No conflicts of interest were declared.

Mr. Pisani briefly discussed the meeting with Board Chairs, presidents and the Minister. Government's focus remains on reducing the cost of delivery of education for the post-secondary system.

Mr. Pisani thanked all board members for their consideration of the transformation plan for NAIT and their responsiveness. He also thanked NAIT Executive for their commitment and dedication to develop the plan to ensure NAIT's financial sustainability for years to come. Mr. Pisani acknowledged all NAIT staff who have stepped up during this unprecedented time and in particular, our educational staff who have responded to ensuring our students receive their education.

Moved by Janet Riopel that the Board exit the in-camera session.

Carried

5 ADJOURNMENT

Moved by Ray Pisani that the Board of Governors meeting be adjourned at 9:50 a.m.

Carried



Ray Pisani – Chair, Board of Governors



Sandy Timmer – recorder