



## NORTHERN ALBERTA INSTITUTE OF TECHNOLOGY

### Minutes of the One hundred forty-third regular meeting of the Board of Governors

Monday, May 9, 2016  
4:00 to 7:00 pm

#### O102P Governors Boardroom

#### Members

#### Present:

Brent Hesje (Chair)	Dr. Glenn Feltham	Valerie Berger
Keith Meagher	Daryl Kruper	Mark Ohe
Shauna MacDonald	Justin Nand	Jeffrey Mason
Diane Brickner	Larry Spagnolo	Nicolas Brown
Randy McLeod	Andy Clark	Randy Tribiger

#### Resources:

Dr. Ray Block	Dr. Neil Fassina	George Andrews
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#### Regrets:

Ray Pisani	Allan Mah	JudyLynn Archer
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### 1. Call to Order

Brent Hesje called the meeting to order at 4:00 p.m. and welcomed all to the last Board meeting of the academic year. He commented on the Convocation ceremonies this past weekend and being part of the excitement. Brent noted the Honorary Degree recipients – Jim Rakievich, Ken Lueers and Stewart Roth – all had important and inspiring words for the grads.

Brent thanked all Board members for their commitment and engagement on the Board over the last year. He further thanked our public board members, Diane Brickner and Randy McLeod, for their time on the Board, as well as our student representatives, Justin Nand and Nicolas Brown, whose terms on the Board are also winding down.

#### a) Approval of the Agenda

***Moved by Diane Brickner that the agenda be approved as presented.***

***Carried***

- b) Approval of Minutes of the Meeting on February 8, 2016

***Moved by Val Berger that the minutes of February 8, 2016 be accepted as presented.***

***Carried***

- c) Business Arising from Minutes

There was no business arising from the previous meeting.

## **2. NAIT Executive Reports**

### **a) Office of the President and CEO**

Dr. Feltham reviewed his report for the Board.

Glenn noted that NAIT has reached out to those from Ft. McMurray, and particularly to those at Keyano College, who have been evacuated from the fires. Glenn noted he was very proud of everyone at NAIT for all they have done to help those affected.

Glenn reported that Convocation went exceptionally well, and was a very special occasion for the graduates and their families. He thanked board members who attended. Dr. Feltham concurred with Brent's earlier comments that the three Honorary Degree recipients were well-deserved and they all had great messages for our graduates.

Highlights from Glenn's report included:

- Glenn reflected on his past five years as President and the achievements of NAIT in this period.
  - NAIT 2021, including the four promises and our NAIT Way Values, provided the foundation for this success. He stated that we are on the right path.
  - Following the adoption of our vision, the Board led the process to develop our strategic plan.
  - This last year, we have aligned administrative structures to enable NAIT to achieve its strategic plan and NAIT 2021.
  - Our focus on telling NAIT's story as a leading polytechnic – that we are Essential – and working with government, has led to many successes.
  - Glenn commented on the progress that Campus Development.
    - This includes CAT, which is truly transformational part of the NAIT campus.
    - It also includes the purchase of the Spruce Grove Campus, and the development of our Crane & Hoisting facility.
  - Financially, NAIT continues to be strong, stronger than many post-secondary institutes in Alberta.
  - Overall, the Board's guidance has provided the support and guidance critical to these successes.

- Glenn then provided thoughts on the future. In the next five years, Glenn expects that:
  - We will have fulfilled our Vision of NAIT 2021, becoming one of the world's leading polytechnics and the most relevant and responsive postsecondary institution in Canada
  - NAIT will be significantly larger (growth in the period will likely exceed 50%)
  - CAT will be at capacity
  - PIC will be fully utilized, and be recognized as the place industry comes to succeed
  - We will be cutting the ribbon on the Skills Centre – the world's leading centre for the skilled trades
  - We will have student housing
  - The Collegiate will provide pathways between high school and post-secondary
  - We will have secured lands on Blatchford, and the Westwood Bus Barns, that have secured NAIT's requirement for land for the next 100 years.
- In focusing on recent developments, Glenn noted:
  - NAIT's base grant (from the Government of Alberta) grew by 2%
  - We are working with our ministry on the board vacancies which are upcoming to ensure we continue to have outstanding individuals appointed
  - NAITSA has provided a \$5M donation to NAIT, the largest donation in NAIT's history
  - NAIT's amazing sports teams continue to dominate and show the caliber of students athletes
- Risks – Glenn discussed three areas of risk:
  - Board transition – Glenn is working with Brent and the Governance Committee to support renewals, and to ensure we have very strong applicants
  - The Sunshine List, which comes out June 30<sup>th</sup>, will have an impact on the post-secondary system. We are working to ensure our staff are protected in that regard to reduce or eliminate any fallout
  - The administrative changes to the academic portfolio – Glenn noted that while these changes are significant, NAIT is focuses on ensuring their implementation is successful

General discussion on Glenn's report ensued and Glenn concluded his report.

#### **b) VP Administration and CFO**

Dr. Ray Block provided a broad update, and advised that he would be pleased to answer any questions the Board may have. Some discussion ensued and Brent thanked Ray for keeping NAIT "financially on track".

**c) VP External Relations and CDO**

George Andrews provided a brief overview of his report in the Board's meeting materials including:

- Overall, the Advancement team has been successful in the fundraising areas. The CAT capital campaign has raised \$13M this fiscal year. George noted while we have experienced some effects of the economic downturn, we continue to focus on attaining our targets.
- NAIT's Alumni commitment is strong with over 14 events for alumni this year.
- NAIT social media traction is high and the Marketing & Communications team has done excellent work on NAIT's marketing campaign.

**d) Provost and VP Academic**

Dr. Neil Fassina discussed his report briefly for the Board.

Dr. Fassina reported that our FLE has increased by 900 year-over-year – incredible growth. He further noted that there was already a waitlist for 72% of our programs for next year.

We are moving into the next phase of the enabling skills project and part of that includes engaging the Board. This will be further discussed at the next Board meeting.

On the leadership side of the academic team, the search for the Dean for the JR Shaw School of Business is in its final stages and we should have a new Dean in place for the start of the new academic year.

Neil wished to thank Kevin Shufflebotham and Bill Yaremko for their dedication and leadership to move the administrative changes in the academic portfolio forward.

We are set to move to the four schools by July 1<sup>st</sup>. Associate Deans will be hired and the Department Head position descriptions have been posted.

General discussion took place on Neil's report. Neil noted that NAIT is working with the military to allow for recognition for military-trained students to receive their credentials for NAIT programs. There are only two polytechnics in Canada who are doing this, so we are ahead of the curve. We are also working with the military on their front-end staff training (i.e. medical field staff).

Asked about a drop in apprenticeship enrollment, Neil noted that at this time there are only a few apprenticeship areas that has declined. This continues to be monitored.

Neil concluded his report.

Brent wished to thank all Vice Presidents for all their work on behalf of NAIT.

### 3. Committee Reports

#### 3.1 Academic Council (Dr. Glenn Feltham)

Dr. Feltham reviewed the material for Academic Council. He noted that there are three sets of meeting minutes to be reviewed for information.

- a) Minutes of the Meeting of February 9, 2016

***Moved by Dr. Glenn Feltham that the minutes of the February 9, 2016 Academic Council meeting be accepted as information.***

***Carried***

- b) Minutes of the Meeting of March 15, 2016

***Moved by Dr. Glenn Feltham that the minutes of the March 15, 2016 Academic Council meeting be accepted as information.***

***Carried***

- c) Minutes of the Meeting of April 19, 2016

***Moved by Dr. Glenn Feltham that the minutes of the April 19, 2016 Academic Council meeting be accepted as information.***

***Carried***

#### 3.2 Campus Development Committee (Mark Ohe)

Mark Ohe reported on behalf of the Campus Development Committee. He noted that the Committee met on April 19<sup>th</sup>. The Committee discussed various items including the Strategic Investment Fund (SIF) submission for the Productivity & Innovation Centre. A conference call was held in conjunction with the Finance & Audit Committee on the financial aspect of the SIF. Both committees were in support of the submission.

Mr. Ohe advised that a revised terms sheet and letter was provided to the City of Edmonton on the Blatchford lands purchase on April 18<sup>th</sup>. NAIT is currently waiting to hear back from the City on this letter.

A parking study was undertaken and once the planning committee handling the results of the study has completed its work, a strategy will be presented to the CDC and then the Board on how to improve traffic congestion around NAIT. Mark complimented John Engleder and his team for their diligence on this project.

The emergency preparedness policies and procedures is currently under review and the review is expected to be completed by July.

The CAT project continues towards completion and is still on time and under budget. The under-budget estimate will be used for "cascading" projects post-CAT. The L and T Buildings will have some vacancies as a result of the move into CAT and those buildings will need to be renovated and redeployed.

The Spruce Grove campus is moving forward also on time and on budget. It is expected to be ready for students for the fall.

There were no concerns raised for the Chair of the Campus Development Committee.

a) Minutes of the meeting of April 21, 2016

***Moved by Mark Ohe that the Campus Development Committee meeting minutes of April 21, 2016 be accepted as information.***

***Carried***

b) Donor Recognition & Naming Grids

The purpose of the naming grids is to ensure that there is an equitable allocation of dollar values associated with rooms, shops, labs, floors, wings and buildings.

The Naming Grids recommended are:

**NAIT – Main Campus –**

GIFT LEVEL	NAMING OPPORTUNITY
\$1,000,000	Spruce Grove Building Naming valuation added
\$1,000,000	CAT017 – valuation change from \$500,000
\$500,000	SG114/116 – Simulator Laboratory valuation added
\$100,000	SG103 – Student Lounge valuation added
\$50,000	SG108 – Classroom valuation added
\$50,000	SG110 – Classroom valuation added
\$50,000	SG112 – Classroom valuation added
\$25,000	SG121 – Meeting Room valuation added
\$25,000	SG123 – Meeting Room valuation added

***Moved by Mark Ohe that the Board of Governors approve the recommended addition of the above to NAIT's naming grids.***

***Carried***

Donor Recognition recommended:

**NAIT Centre for Applied Technology**

- Student Lounge (CAT2X9C; in perpetuity) – Chris Ambrozic (Ambrozic Family Student Lounge) (\$50,000 cash)

**NAIT Centre for Industrial Technologies**

- Studio Laboratory (V137; 10 year) – Rogers Media Inc. (Sportsnet Broadcast Studio) (\$400,000 cash)

***Moved by Mark Ohe that the Board of Governors approve the recommended Donor Recognition.***

***Carried***

### **3.3 Executive Committee (Brent Hesje)**

#### **a) Minutes of March 11, 2016**

Brent Hesje briefly reviewed the Executive Committee meeting held on March 11<sup>th</sup>. He indicated that succession planning was further discussed by the Committee as the terms of five Board members are ending in the fall of 2016, including the Board Chair.

***Moved by Brent Hesje that the Executive Committee meeting minutes of March 11, 2016 be accepted as information.***

***Carried***

### **3.4 External Relations Committee (Larry Spagnolo)**

#### **a) Minutes of April 19, 2016**

Larry Spagnolo discussed the meeting of the External Relations Committee held on April 19<sup>th</sup>. Larry noted that the mandate of the Committee is branding, advocacy, and development.

Larry noted, as Mark did earlier, that the federal government has announced that it will be providing \$2B in infrastructure funding for new builds for post-secondary. Polytechnics Canada, and Glenn's role as Chair, was key in lobbying for this funding and to ensure that polytechnics were on the government's radar for funding.

It is important to note that Minister Schmidt attended Convocation. This reflects the relationship that NAIT has with our new government. There has been significant positive attention given to NAIT recently, as three government announcements have been held here.

We continue to speak with the City to move our mandate forward on the Blatchford lands and the bus barn lands.

Mr. Spagnolo wished to thank Susan Cline and her team for all the work they are doing on the branding of NAIT.

***Moved by Larry Spagnolo that the External Relations Committee meeting minutes of April 19, 2016 be accepted as information.***

***Carried***

### **3.5 Finance and Audit Committee (Valerie Berger)**

Valerie Berger reported on behalf of the Finance and Audit Committee. Val noted that there were three meetings of the Finance and Audit Committee, including one in conjunction with the Campus Development Committee, and one asynchronous vote. A presentation on the Comprehensive Institutional Plan will then be made to the Board following her review of the meetings.

a) Asynchronous Vote – March 21, 2016

Ms. Berger was pleased to report that Logan Phillips has been appointed to the Investment Advisory Sub-Committee (IASC) by a unanimous asynchronous vote on March 21, 2016. Logan is a graduating student from the JR Shaw School of Business and was one of the students who assisted in the establishment of the real money investment fund for the Investment Club of NAIT. Mr. Phillips has worked at Alberta Investment Management Corporation (AIMCO) since January 2014 and has accepted a work engagement with JPMorgan's New York Head Office for this upcoming summer.

b) Minutes of the Meeting of April 19, 2016

The Committee met to review and approve the Terms of Reference for the proposed splitting of the Finance and Audit Committees as separate committees. This will be discussed further by the Governance Committee.

***Moved by Valerie Berger that the minutes of the Meeting of the Finance and Audit Committee of April 19, 2016 be accepted as information.***

***Carried***

c) Minutes of the Joint Meeting of the Finance and Audit Committee and the Campus Development Committee of April 21, 2016

Mark Ohe spoke to this meeting earlier.

d) Minutes of the Meeting on April 25, 2016

Ms. Berger referred to the minutes of the meeting which are in the package materials. There were no concerns raised.

***Moved by Valerie Berger that the minutes of the Meeting of the Finance and Audit Committee of April 25, 2016 be accepted as information.***

***Carried***

e) 2016/17 to 2018/19 Comprehensive Institutional Plan & Budget Information

Ms. Berger invited Dr. Feltham to speak to the Comprehensive Institutional Plan. Dr. Feltham advised that the Plan is a three-year planning cycle for the institute which is done annually. There are certain requirements stipulated by government to be included. This document defines the direction of the institute and aligns with our strategic plan and NAIT 2021. The goals and objectives are consistent with the metrics used last year.

Our promise to Alberta is to meet the needs of our province for polytechnic education. Our growth projections reflect this.

Overall, NAIT's financial health is strong, but we need financial stability to support growth. We have been fortunate to have solid returns on our investments but this is likely a trend that will not continue. We will have to look for ways to increase unfunded growth.



Dr. Feltham reviewed the risks for the budget. Discussion ensued. The Board was pleased with the overall Plan.

***Moved by Valerie Berger that the Board of Governors approve the 2016/17 to 2018/19 Comprehensive Institutional Plan, with such non-substantive changes that management of NAIT considers necessary or advisable. The Board of Governors further delegates the authority of the Executive Committee of the Board to approve substantive changes should they be required.***

**Carried**

f) Delegation of Authority Policy

Ms. Berger advised that NAIT worked with MNP to draft a Delegation of Authority policy and procedure. The draft policy and procedure documents have been vetted by the Finance and Audit Committee.

It was pointed out that, if there is approval to split the Finance and Audit Committee into two committees, the Chair of the Audit Committee would approve Board Chair expenses. If they do not split, the Chair of the Finance and Audit Committee would approve the Board Chair's expenses.

***Moved by Valerie Berger that the Board of Governors approve as presented, the Delegation of Authority Policy GE.3.0 and the Delegation of Authority – Authorization Matrix.***

**Carried**

g) 2016/17 Tuition Fees

Tuition fees are frozen by the provincial government (the second year of an announced two year freeze). While frozen, we must still provide government with Board-recommended tuition fees for final approval. Management proposes that all tuition fees remain at the 2014/15 levels for the 2016/17 year. The proposed fee structure is included in the meeting materials.

***Moved by Valerie Berger that the Board of Governors approve the tuition fees, as detailed in the Tuition Fee Compliance document for the 2016-17 year, for submission to Advanced Education for final approval.***

**Carried**

h) Set-Up of New Year-End Funds and Reserves

(i) CAT Cascading Reserve

Ms. Berger advised that excess funds from the budget for CAT will be reallocated to the "CAT Cascading Reserve". An amount will be transferred at June 30, 2016 based on an estimate of the final costs and the current status of the receipt of donations. As final costs are determined and remaining donations are received, the CAT Cascading Reserve will be updated as required.

***Moved by Valerie Berger that the Board of Governors approve allocating the remaining balance of the Centre for Applied Technology Reserve to a***

***new Reserve to be named CAT Cascading Reserve, estimated to be \$33 million, once all donations are received.***

***Carried***

**(ii) Strategic Land Purchase Transfer to Main Campus Renovation Reserve**

NAIT had previously set aside a Strategic Land and Capital Purchases Reserve of \$8 million for the purpose of purchasing land located in Spruce Grove. NAIT has now purchased the land and the final costs are proving to be slightly below the \$8 million reserve. It is estimated that there will be \$0.3 million left in the reserve once all the final payments have been made. NAIT is proposing that any remaining balance in the reserve be redirected to the Main Campus Renovations Reserve.

***Moved by Valerie Berger that the Board of Governors approve that any remaining balance from the Strategic Land and Capital Purchases Reserve of \$8 million be redirected to the Main Campus Renovations Reserve by June 30, 2016.***

***Carried***

**i) Financial Report for the Six Months Ended December 31, 2015**

The total actual revenue for the quarter ended March 31, 2016 was \$266.99 million and actual expenditures were \$261.06 million resulting in an excess of revenue over expenditure of \$5.9 million. The current forecasted budget surplus is \$5.2 million for the fiscal year. Details of the changes in the forecast can be found within the Financial Report of the Board package. Major contributors to the favourable results are the additional funds from the Government of Alberta, increased investment returns, increases in student tuition through growth, and careful expenditure management by NAIT's business units.

***Moved by Valerie Berger that the Board of Governors accept the March 31, 2016 Financial Report as information.***

***Carried***

**j) Investment Report as of February 29, 2016**

Ms. Berger reported that the accounting rate of return for the period ended February 29, 2016 was 3.3% (4.95% annualized) and is higher than our annualized approved budget estimated rate of return of 3.82%.

***Moved by Valerie Berger that the Board of Governors accept the February 29, 2016 Investment Report as information.***

***Carried***

#### k) Investment Policy Update

As one of the steps to operationalize the Board-approved Investment Club of NAIT (ICON), NAIT's Investment Policy and Investment Procedures need to be updated. This is because the investments traded will be owned by NAIT – management and ICON determined this to be the appropriate ownership structure to enable ICON activities and to control risk. The policy and procedure updates allow trading by ICON, and allow ICON to determine its own investment policy mix, while adhering to an appropriate set of principles laid out in the Investment Policy.

***Moved by Valerie Berger that the Board of Governors approve the changes to the Investment Policy RM.2.0.***

***Carried***

#### l) Compliance Certificate

Based on a review of best practices with other organizations, Administration has prepared the Compliance Certificate included in the meeting materials which has been duly signed.

***Moved by Val Berger that the Board of Governors accept the Compliance Certificate for the period of January 1, 2016-March 31, 2016 as information.***

***Carried***

Other comments Ms. Berger wished to note from the Committee's meeting on April 25<sup>th</sup>:

- The Auditor General's office presented NAIT and the NAIT Foundation with the Audit Plans for the year ended June 30, 2016.
- The materiality for the audit of the institution is \$9.9M. The materiality for the Foundation is \$12K.
- The OAG advised of the guidelines they use to assess the effectiveness and sustainability of financial reporting internal controls and processes for its "Report Card". NAIT consistently ranks high on the Report Card.
- The Committee reviewed the IT Strategic Plan.
- An update on Enterprise Risk Management was provided to the Committee to review. The details of that report is in the meeting package.
- The Committee was provided with a review of the internal audit report on cybersecurity. The object of the audit was to provide a top-down assessment on the current governance risk management processes. No significant issues were found.
- The Committee reviewed revisions to the Pro-forma Financial Statements for the upcoming year-end.

### 3.6 Foundation Trustees (Valerie Berger)

Ms. Berger advised that the Foundation Trustees met on April 25, 2016 and the minutes are included in the board package for review.

***Moved by Val Berger that the NAIT Foundation meeting minutes of April 25, 2016 be accepted as information.***

***Carried***

### **3.7 Governance Committee (Randy McLeod)**

Randy McLeod discussed the Governance Committee report. He indicated that on April 19<sup>th</sup>, an asynchronous vote was requested of the Committee. Several items required motions for approval in the asynchronous vote. These items were:

- Advancing the revised Terms of Reference for the Human Resources Committee, the Finance & Audit Committee, and the Campus Development Committee.
- The revised Board By-Laws need to be approved.
- Indemnification of Logan Phillips, as a newly appointed member of the Investment Advisory Sub-Committee.
- Indemnification of Dr. Ivan Ourdev, NAIT-appointed staff member from the JR Shaw School of Business and Head Portfolio Manager for the newly established student Investment Club of NAIT (ICON).

Mr. McLeod briefly reviewed the various committee meetings that have taken place since December 2015. All three committees approved their revised Terms of Reference. As well, a meeting of the Chairs of those committees, along with the Board Chair and Governance Committee Chair, was held where the revised Terms of Reference were discussed for the committees. The Chairs indicated their directional support for the proposed changes.

Mr. McLeod indicated that the Finance and Audit Committee looked into splitting into two separate committees – Finance, and Audit. This is based on best practice. The committee members would be the same for both. The President would have the right to vote at the Finance Committee, but not on the Audit Committee. This is best practice for boards. Terms of Reference for each of the Finance and Audit Committees were approved.

If changes to the Terms of Reference for these committees are approved, the required amendments to the Board's By-Laws will also be requested. The Governance Committee recommends approval of these motions.

Accordingly, the motions for approval by the Board are:

***Moved by Randy McLeod that the Board of Governors approve that the Finance and Audit Committee be split into two committees with the creation of a separate Audit Committee of the Board. Terms of Reference for the Audit and Finance Committees be approved as presented.***

***Carried***

***Moved by Randy McLeod that the Board of Governors approve the Human Resources Committee Terms of Reference as presented.***

***Carried***

***Moved by Randy McLeod that the Board of Governors approve the Campus Development Committee Terms of Reference as presented.***

***Carried***

***Moved by Randy McLeod that the Board of Governors approve the revised Board By-Laws as presented.***

***Carried***

***Moved by Randy McLeod that the Board of Governors approve that Logan Phillips be Indemnified as presented.***

***Carried***

***Moved by Randy McLeod that the Board of Governors approve that Dr. Ivan Ourdev be Indemnified as presented.***

***Carried***

Mr. McLeod thanked the Board for their approvals. He noted that Val Berger will be the Chair for both the Finance Committee and for the Audit Committee.

### **3.8 Human Resources Committee (Daryl Kruper)**

#### **a) Minutes of the Meeting of March 17, 2016**

Daryl Kruper, Chair of the Human Resources Committee, wished to thank Diane Brickner for leadership on the Human Resources Committee. Diane's term on the board is ending in May.

Mr. Kruper noted that, as Randy mentioned, the Human Resources Committee met to review the revised Terms of Reference and approved them as presented.

The Committee was also provided with a briefing of the Health and Safety Services. This briefing is in the Board package.

There were no questions for the Chair of the Human Resources Committee.

***Moved by Daryl Kruper that the Human Resources Committee meeting minutes of March 17, 2016 be accepted as information.***

***Carried***

## **4. Presentation and Discussion**

### **4.1 Productivity & Innovation Centre**

Dr. Feltham provided a presentation to the Board on the submission to the federal and provincial governments on the Productivity & Innovation Centre (PIC) as a project under the newly announced Post-secondary Strategic Investment Fund (SIF). Dr. Feltham wished to thank the NAIT team who were instrumental in putting this submission together.

PIC will be, "the place industry comes to succeed". This project builds on our established strengths and our deep relationship with industry.

This will be a transformative building for NAIT as well as for our city, province and country. It will be the place where industry comes for solutions, and will focus on productivity, applied research, competitiveness, and innovation. It will help to diversify our economy and create a more sustainable future for all.

The Centre, which will provide highly flexible space, will be the second largest building at NAIT, about one-third the size of CAT.

We are pleased with the submission and there was a team of dedicated individuals who pulled together the submission on fairly short notice. If funding for this project is approved, it will cover close to half of the total cost of the build.

Dr. Feltham concluded his presentation by commenting that the Productivity and Innovation Centre will uplift NAIT and industry, as well as elevating the understanding of polytechnics.

#### **5. Correspondence**

Provided for information only.

#### **6. Board Member Contact List**

Provided for information only.

#### **7. Next Board Meeting**

The next meeting will be held Monday, October 3, 2016 at 3:45 p.m. for the Board photo, followed by the Board meeting at 4:00 p.m.

#### **8. Adjournment**

***Moved by Nicolas Brown that the Board of Governors meeting be adjourned at 7:15 p.m.***

***Carried***

  
Sandy Timmer, Recorder

  
Brent Hesje, Chair