



NORTHERN ALBERTA INSTITUTE OF TECHNOLOGY

Minutes of the
One hundred forty-fourth regular meeting of the
Board of Governors

Monday, October 3, 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
	Larry Spagnolo	Andy Clark	Jeffrey Mason
	Randy Tribiger	Joel Benitez	Allan Mah
	Ray Pisani (by phone)		
Resources:	Dr. Ray Block	George Andrews	Kevin Shufflebotham
	Dr. Sue Fitzsimmons		
Regrets:	JudyLynn Archer		

1. Call to Order

Brent Hesje, Chair of the Board, welcomed everyone to the first Board of Governors meeting of the academic year. He wished to extend a special welcome to Joel Benitez, as the newest member of the Board. Joel is one of the NAITSA student representatives on the Board. Joel is a student in the Digital Media & Information Technology program.

Mr. Hesje also wished to thank the Board members who are coming to the end of their second term on the Board. He thanked them for all of their time, hard work, thoughtful discussions and contributions to the Board. Brent noted that according to the *Post-secondary Learning Act*, board members have an automatic extension of their term for a three-month period. He asked the board members whose terms are up to continue to serve on the Board for their three-month grace period which will help the Board transition.

Following the Executive Reports and Committee updates, there will be two presentations – one on the new schematic design for the Productivity & Innovation Centre, and the other on enrolment growth at NAIT.

The meeting was then called to order by Brent Hesje at 4:05 p.m.

1.1 Approval of the Agenda

Moved by Allan Mah that the agenda be approved as presented.

Carried

1.2 Approval of Minutes of the Meeting on May 9, 2016

Moved by Larry Spagnolo that the minutes of May 9, 2016 be approved as presented.

Carried

1.3 Business Arising from Minutes

There was no business arising from the previous meeting.

2. NAIT Executive Reports

2.1 Office of the President and CEO

Dr. Feltham wished to thank the broader leadership at NAIT and wanted to expressly thank Dr. Neil Fassina for his leadership and dedication to NAIT, and his many contributions to the Board. He wished Neil well in his new role. Glenn then welcomed Kevin Shufflebotham as Interim Provost and Dr. Sue Fitzsimmons as Interim VP Academic to their first meeting with the Board. Glenn discussed their respective roles. Both will serve on the NAIT Executive team.

Glenn commented that there is much to celebrate at NAIT. We have just opened the Centre for Applied Technology, which is the largest capital project in NAIT's history. Staff and students have moved in and are getting familiar with their spaces. There are many inviting areas for students to congregate for individual or group study. The classrooms are state-of-the-art and will be transformative for students.

The Crane and Hoisting program is up and running at our Spruce Grove campus in a new state-of-the-art facility. This was another well-managed project that came in on time and on budget.

NAIT is growing. We have much to look forward to for the future.

- We are making significant progress toward achieving our vision of being one of the world's leading polytechnics, and the most relevant and responsive post-secondary institution in Canada.
- The new Productivity & Innovation Centre will soon begin construction. We will have an announcement from the federal government on October 12th here at NAIT with the federal Minister of Infrastructure and Communities, Amarjeet Sohi.
- Discussions with the City continue to move ahead on the Blatchford and bus barn lands.

Dr. Feltham highlighted some strategic activities that he is working on. These include:

- Board renewal
- People
- Campus Development
- Advocacy

Board Renewal

Glenn noted that NAIT has been blessed to have had such a strong Board these past several years with members who have brought to the Board a deep knowledge of industry and NAIT's role in industry and Alberta. We will be losing three more board members, in addition to Randy McLeod and Diane Brickner who concluded their second term in May. This includes Brent's position as Chair. We are working with three board members who are at the end of their first term to submit their application for re-appointment for a second term. We have identified some excellent candidates for the board, have spoken with them and they will be submitting their applications for appointment to the NAIT board. The competition closes October 14th.

Once the competition closes and the ministry provides a shortlist of the applicants, the Governance Committee will review the list and make its recommendations to the ministry.

People

People matter at NAIT – Glenn noted that the annual Employee Engagement Survey was conducted at the end of April. The results indicate that, overall, engagement levels remain high. While there were some concerns raised with the academic restructuring, in general our staff like where they work, are happy to be at here, and plan to stay at NAIT.

On the topic of people, Glenn commented on the administrative changes to the academic portfolio and how these changes were made to align our structures to our strategies. These changes were made to allow us to achieve our NAIT 2021 vision. Nearly all of the hiring in the new roles is complete and were mostly filled internally.

Glenn noted that a survey on the changes will be going out to all faculty for feedback. This will be followed up by another survey in January. It was noted that we have approximately 60 new Chairs, 22 Department Heads, 8 Associate Deans and 1 new Dean hired. Almost all were internal hires.

Campus Development

Glenn spoke about the campus development that continues at NAIT. Now that CAT is open and in use, the next project to come up is the Productivity & Innovation Centre (PIC). PIC will be a place where industry comes to succeed. GEC Architects will make a presentation on the design features of the PIC Building later in the meeting.

The new campus in Spruce Grove for the Crane and Hoisting program is up and running and welcomed its first students this September.

Advocacy

We are pleased to welcome Warren Singh as our new Government Relations Director. Warren brings an extensive background in government and policy. Warren will work closely with Dr. Feltham and George Andrews to refine NAIT's advocacy plan. Glenn wished to thank Larry Spagnolo for all of his efforts in advocacy as Chair of the External Relations Committee.

Items of Interest

NAIT sponsored a family night at the first hockey game of the season of the Edmonton Oil Kings and the first hockey game at the new Rogers Place Arena. We had over 3000 staff and family attend the first "Hockey Night with NAIT" event on September 24th.

Dr. Feltham congratulated Ross Wilson, our internal auditor, on his great success at the Rio Paralympic Games in September winning two silver medals in cycling!

Our new Dean of the JR Shaw School of Business, Tracey Scarlett, is also a NAIT alumnus. Tracey recently served as CEO of Alberta Women Entrepreneurs and is a successful entrepreneur herself.

We had our Professional Development Day (PD Day) for NAIT staff on August 31st and had 957 registrants participate in various learning and development classes. Staff also celebrated the opening of CAT that day as well.

Congratulations were given to Ernest's Dining Room for receiving recognition as one of the "Top 100" restaurants in Canada as determined by Open Table diners.

Risks

Dr. Feltham noted that overall, NAIT's risk profile is reasonably stable. The upcoming board vacancies do have some risk as we do not know when the vacancies will be filled but we are working closely with our Ministry on this. The timelines for the "substantial completion" of PIC as required by the Federal Government for the funding are tight but our project team is aware of this and are working hard to meet that deadline. We continue to focus on, and be diligent on, our financial sustainability.

2.2 VP Administration and CFO

Dr. Ray Block briefly reviewed his report in the meeting package. First, he wished to thank the finance team and all budget managers for their diligence on their respective budgets this past year. Ray was pleased to report that NAIT ended the 2015-2016 fiscal year with a surplus of \$5.6M over last year. Dr. Block indicated that our investment revenue is still above benchmark and continues to be a major contributor to the annual surplus.

Dr. Block indicated that discussions with the City managers continues on the Blatchford and bus barn lands, and surrounding parcels, and the discussions have a renewed vigor with their new principal negotiator. We are seeing more progress with our discussions.

Ray discussed NAIT's cyber-security and reported that, while we continue to have reports of cyber-attacks, information technology services (ITS) continues to be vigilant. They continually monitor and update our defensive tools to fight off these attacks. This year, ITS will be doing another major upgrade to our firewall and will promote our Security Awareness Program with the assistance of the Information and Technology Management Committee. In previous audits, The Office of the Auditor General reviewed our cyber-security system and did not raise any concerns or issues. Recently, we engaged MNP to do an additional cyber-security maturity and threat analysis. The report from MNP is expected for the Audit Committee meeting in November.

There has been much activity in Human Resources. One of the critical items being reviewed is the Essential Services legislation. This is as a result of the Supreme Court decision governing Essential Services. We will have to determine what, if any, Essential Services NAIT provides. If Essential Services are determined to exist as identified by the legislation, an agreement with AUPE will need to be reached prior to negotiations and bargaining commencing.

Health and Safety at NAIT has undergone significant change and restructuring. Andrew Smith has been heading up this department and he has been working on the ERM as well which has strong ties to safety and our movement to a transformational safety culture. While Andy has taken on ERM, two areas of responsibility have shifted away from him. Both the Health Clinic and Disability Management have been reassigned so as maintain a workload balance.

Health and Safety at NAIT has also received further support through the creation of a new position specifically for facility and environmental safety within the Facilities Management.

Recently, we installed Automated External Defibrillators (AED) in all areas of the campus. One was successfully used by several NAIT staff to help a co-worker who was having a heart incident. Through the actions of staff this AED saved the co-worker's life.

It was further reported that we had exponential growth in staff taking mental health training and the training has been very well-received by staff.

Dr. Block then concluded his report.

2.3 VP External Relations and CDO

George Andrews was pleased to report that we are \$7.5M over target for fundraising, an amazing result given these challenging economic times. We continue to work with individual and/or family donations as well as company donations. We received 66 in-kind gifts totaling more than \$3.4M.

George discussed the ILM project and an initiative to have a new entity established in partnership with SAIT. The purpose of the partnership would be to administer the ILMs on behalf of the Government of Alberta for the 11 technical training providers in Alberta who currently use the materials for training for apprenticeship programs.

A new area of focus is the "Career in a Year" which provides credit for training towards diplomas.

Some restructuring of fundraising targets may be done in response to the present economy.

There were 22 events where NAIT Alumni attended this last year. Our Alumni continue to be strong supporters of NAIT and are champions in their organizations.

This concluded Mr. Andrews' report.

2.4 Provost (Kevin Shufflebotham) and VP Academic (Sue Fitzsimmons)

Dr. Sue Fitzsimmons, Vice President Academic and Kevin Shufflebotham, Provost provided reports for their respective areas. Sue provided a brief overview of the roles and responsibilities they will each have. Sue will be working with the academic leaders and will work to ensure the academic portfolio stays true to its mission. Kevin will focus on the core academic businesses of NAIT and will deal with the corresponding personnel and budgets, while striking the right balance between the principles that underlie our academic mission and how to work within our resource-constrained environment.

The Board welcomed Sue and Kevin in their new roles.

3. Committee Reports

3.1 Academic Council (Dr. Glenn Feltham)

Glenn provided a brief report from the Academic Council meeting on September 20, 2016. In the meeting, Quality Curriculum Instruction Policy and Procedures was discussed as was Enabling Skills. Enabling skills relates back to our core promise to students to ensure they are fully prepared for the workforce. Quality Curriculum Instruction Policy and Procedures will be brought back to the Board at the next meeting.

3.1.1 Minutes of the Meeting of September 20, 2016

Moved by Dr. Glenn Feltham that the minutes of the September 20, 2016 Academic Council meeting be accepted as information.

Carried

3.2 Campus Development Committee (Mark Ohe)

Mark Ohe, Chair of the Campus Development Committee (CDC), presented the report from the Committee. He noted that there were two meetings of the CDC this summer and one was a joint meeting with the Finance Committee.

Mark was pleased to reiterate that the Centre for Applied Technology is now open and students have filled the classrooms! Staff moved in on August 2nd and overall, the move-in transition has gone well. The project came in on time and on budget. The Spruce Grove campus is also up and running for students now. This project was started in November last year and was ready for September this year. Mark congratulated the project management teams for ensuring that these two significant projects were managed successfully.

The meeting on June 21st with the Finance Committee discussed the Productivity & Innovation Centre (PIC) and the major capital financing for various campus projects. At that meeting, Dr. Feltham discussed the Strategic Investment Fund (SIF) and the funds that we

were expecting to receive from the federal government towards this project. The Committee was advised that timing would be tight on the project schedule due to the delay in confirmation of the funding. The Committee received a presentation from Peter Osborne from GEC Architects on the schematic design.

The Committees reviewed information on major capital financing which outlined NAIT's financial health metrics, options and strategies for funding for projects, and recommended initial approaches for the major capital priorities. The Committees agreed to discuss this further at a joint meeting of the two Committees. The Committees supported the overall approach to the Major Capital Financing as proposed.

The approval process for PIC was to be done on a staggered process. A subsequent meeting of the CDC, Facilities Management and the Project Manager was held on July 12th to review the updated design features and other matters pertaining to the PIC project.

NAIT's emergency preparedness was discussed as the policy and procedures need to be refreshed and updated. It was noted that MNP has been engaged to review the policy and procedures and to prepare a gap analysis. The first phase of the refresh has been started. It will take approximately 12-18 months for the review to be finalized. The revised policy is expected to come back to the CDC for approval later this fall.

The Campus Development Committee was advised that Dialog had been engaged as the Prime Consultant to provide the schematic design for the L and T Buildings. A cost estimate for the renovations was completed and the Committee was advised that the costs for the T Building increased but the L Building had decreased. The Committee approved to proceed with the Design Development and preparation of Construction Documents for the L and T Buildings. CDC also approved to tender the work for the L and T Buildings, subject to the estimated cost for the work, exclusive of options, being within the total estimated cost as presented.

3.2.1 Minutes of the meeting of June 21, 2016

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

Carried

3.2.2 Minutes of the meeting of September 6, 2016 (Joint meeting with the Finance Committee)

Mark provided an update on the meeting of the CDC on September 6th which was also a joint meeting with the Finance Committee. At that meeting, the Committees received a status report on the PIC project. We are currently 2-3 weeks behind the initial schedule. The Committees also reviewed the risk register for the project and details of that are in the meeting materials.

The CDC Committee accepted and approved the minutes of the asynchronous vote of May 31, 2016 to award GEC Architecture to provide the Prime Consultant services to a maximum of \$4.8M for PIC.

The two Committees were also advised that an increase in the budget of \$5.5 was needed due to the increase in size and scope of the building.

Moved by Mark Ohe that the Campus Development Committee meeting minutes of September 6, 2016 and the minutes of the Joint Campus Development Committee and Finance Committee meeting on September 6, 2016 be accepted as information.

Carried

3.2.3 Productivity & Innovation Centre Budget Increase Approval

The budget for the PIC project was reviewed and discussed with the CDC and Finance Committees and it was indicated that the budget would need to be increased by approximately \$5.5M from the original budget to a revised budget of \$85.5M due to the increase in size of the building and the scope of the project. The Committees supported this increase. Discussion ensued.

Mr. Ohe asked the Board of Governors to approve the increase in the budget of \$5.5M.

Moved by Mark Ohe that the Board of Governors approve the increase in the budget of the Productivity & Innovation Centre from \$80M to \$85.5M.

Carried

3.2.4 Refinancing of Existing Debenture

Also at the September 6th meeting, refinancing the CAT loan was discussed. It would simply involve a change of terms so an Order in Council would not be required. The Committees discussed the various funding options available and after review, the proposal was supported by both Committees.

Moved by Mark Ohe that the Board of Governors approves the refinancing of the existing \$150M debenture with ACFA.

Carried

3.2.5 Naming Grids & Donor Recognition

The following naming grids and donor recognitions are brought forward for the approval of the Board. 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.

Naming Grids Approval:

Moved by Mark Ohe that the Board of Governors approves the addition of the following to NAIT's naming grids:

NAIT – Main Campus –

GIFT LEVEL	NAMING OPPORTUNITY
\$50,000	H010 – Storage Room valuation added

Carried

Moved by Mark Ohe that the Board of Governors approves the removal of the following from NAIT's naming grids:

NAIT – Spruce Grove Campus –

GIFT LEVEL	NAMING OPPORTUNITY
\$25,000	SG121 – Meeting Room – locked room used by staff; not accessible to students
\$25,000	SG123 – Meeting Room – locked room used by staff; not accessible to students

Carried

Donor Recognition

Moved by Mark Ohe that the Board of Governors approves the donor recognition as follows:

NAIT Centre for Applied Technology

- Student Commons (CAT200; 10 years) – NAIT Students' Association (\$2,000,000 cash)
- Laboratory (CAT017; 10 years) – Imperial Oil Foundation (\$1,000,000 cash)
- Laboratory (CAT213; 7 years) – Scotiabank Banking & Financial Services (\$406,000 cash)
- Classroom (CAT103; 5 years) – ConocoPhillips Canada (\$50,000 cash)
- Tutorial Room (CAT211; 5 years) – CFA Society Edmonton (\$33,000 cash)

NAIT Centre for Applied Technology – Recognition transfers from Engineering Annex

- Corridor/Student Lounge (CAT4X10/4X10B) – Clark Builders (\$500,000)
 - Original location: Student Commons (L2X10; 1-Aug-09 to 31-Dec-19; \$500,000)
- Meeting Room (CAT312) – GCS Energy Services (\$50,000)
 - Original location: Classroom (L234; 1-Nov-13 to 31-Dec-23; \$50,000)
- Classroom (CAT032) – Tetra Tech, EBA (\$50,000)
 - Original location: Laboratory/Soils Identification (L147; 1-Jun-07 to 31-Dec-17; \$100,000)
- Classroom (CAT036) – ConocoPhillips Canada (\$50,000)
 - Original location: Classroom (L169; 1-Mar-14 to 28-Feb-24; \$50,000)
- Corridor (CAT2X21/2X22) – Aman Building Corp (\$250,000)
 - Original location: Corridor (L1X2; 1-Mar-08 to 31-Mar-18; \$275,000)
- Classroom (CAT286) – Voice Construction (\$100,000)
 - Original location: Laboratory/Computers (L157; 1-Dec-07 to 31-Dec-17; \$100,000)
- Classroom (CAT290) – Read Jones Christoffersen (\$100,000)
 - Original location: Classroom (L159; 1-Nov-07 to 31-Dec-17; \$50,000)
- Classroom (CAT254) – Penn West Exploration (\$50,000)
 - Original location: Classroom (L229; 1-Jul-12 to 30-Jun-22; \$50,000)

NAIT Centre for Information and Communications Technology

- Computer Commons (W203; in perpetuity) – NAIT Students' Association
Computer Commons (\$1,000,000 cash)

Carried

Mr. Ohe wished to acknowledge and thank all of those who have donated as this is very important to the success of NAIT. This concluded Mr. Ohe's presentation.

3.3 Executive Committee (Brent Hesje)

3.3.1 Minutes of the meeting of June 7, 2016

Brent Hesje advised that the PIC project was discussed at the Executive Committee meeting in June as this was a major project for consideration. Board appointments were also discussed by the Executive Committee.

Moved by Brent Hesje that the Executive Committee meeting minutes of June 7, 2016 be accepted as information.

Carried

3.4 External Relations Committee (Larry Spagnolo)

3.4.1 Minutes of the meeting of September 19, 2016

Larry Spagnolo, Chair of the External Relations Committee, commented on their meeting held on September 19, 2016. He wished to congratulate Dr. Feltham and the project proposal team for all coming together on short notice and creating a successful SIF submission to the federal government. This will be an important facility for NAIT and its future.

We have had discussions with our MP, Randy Boissonnault, and the federal Minister of Infrastructure and Communities, Amerjeet Sohi, as well as the broader government levels, to ensure the message of NAIT is heard. We continue to be engaged with our provincial ministry and Dr. Feltham has regular meetings with our Deputy Minister and George Andrews meets regularly with the ADM of Advanced Education.

We are currently waiting to hear from government if the tuition freeze will continue. A submission to government on Essential Services is due by October 17th. NAIT will prepare a submission on the implications that legislation will have on NAIT.

We continue to move the relationship with the City forward and discussions are on-going and have been more robust on the Blatchford and bus barn lands and the surrounding area around NAIT.

The Essential Campaign continues to have an effect and nearly \$1M has been raised in advertising dollars through social media on the campaign.

Larry thanked George Andrews and his team on the results of the marketing campaign especially given the difficult economy. Larry also welcomed Warren Singh in his new role as Director of Government Relations.

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

Carried

3.5 Audit Committee (Valerie Berger)

3.5.1 Minutes of the meeting of September 15, 2016

Chair of the Audit Committee, Valerie Berger, advised that the Audit Committee met on September 15th and again on September 21st.

Moved by Val Berger that the Audit Committee meeting minutes of September 15, 2016 be accepted as information.

Carried

Ms. Berger provided a synopsis of the meeting on September 15th. The Auditor General met with the Audit Committee for the year-end financial statements. She was pleased to report that the Auditor General's office would be issuing an unqualified audit opinion on the consolidated financial statements and it was noted that there were no unadjusted differences. The Auditor's report has no new or outstanding recommendations so she was pleased to report that NAIT again achieved green dots across the board on the Auditor General's annual score card. The Chair extended congratulations to the finance department and all team NAIT for a job well done.

The treatment for endowment contributions was reviewed by the Auditor General, as well as matching contributions and associated investment income allocated for the preservation of endowment purchasing power and are now recognized in the consolidated statement of operations in the period in which they were received. This change is effective July 1, 2016. The provincial government changed this accounting policy to achieve a consistent treatment across the post-secondary sector.

3.5.2 Minutes of the meeting of September 21, 2016

Ms. Berger discussed the minutes of the Audit Committee meeting on September 21st. The meeting was held to address outstanding items not dealt with at the meeting on September 15th. As well, Ross Wilson, our internal auditor, was not available on the September 15th meeting as he was competing at the Paralympic Games in Rio. Val congratulated Ross on winning two silver medals at the Games!

Ross was able to review his internal audit reports with the Audit Committee on September 21st. Audits for this reporting period included the Development division of the Advancement Office and Human Resources. The audit provides a reasonable assurance on items such as the achievement of certain stated business objectives and adherence to applicable policies, business rules and regulatory requirements, as well as reviewing for the potential risk of fraud.

Moved by Valerie Berger that the minutes of the Meeting of the Audit Committee of September 21, 2016 be accepted as information.

Carried

3.5.3 NAIT's Audited Consolidated Financial Statements for the Fiscal Year Ended June 30, 2016

Val reviewed highlights of the Consolidated Financial Statements:

- NAIT finished 2015/16 with an annual operating surplus of \$5.6M and an overall annual surplus after endowment contributions of \$6.8M. Non-endowment investment revenues exceeded budget by \$5.67M.
- Total financial assets for the year ended were \$408.8M and liabilities were \$303.5M.
- Revenues for the year were \$357.95M.
- Expenses for the year were \$352.32M.
- The accumulated surplus at the end of 2015/16 was \$278.8M compared to \$272.0M for the prior year.
- The Annual Report will be tabled at the December Board of Governors meeting and will include the Management's Discussion and Analysis of the Consolidated Financial Statements.

Moved by Val Berger that the Board of Governors approve NAIT's audited consolidated financial statements for the fiscal year ended June 30, 2016.

Carried

3.5.4 Compliance Certificate

Administration has prepared and signed the Compliance Certificate which is based on a review of best practices with other organizations.

Moved by Val Berger that the Board of Governors accept the Compliance Certificate for the period of April 1, 2016-June 30, 2016 as information.

Carried

3.6 Finance Committee (Valerie Berger)

3.6.1 Minutes of the meeting on September 15, 2016

Val Berger reported on the Finance Committee meeting held on September 15, 2016. She indicated that all post-secondary institutes are required to provide the Ministry of Advanced Education a financial report on a monthly basis. The Committee reviewed that report. The government maintains these reports confidentially and they do not share them across the post-secondary system.

The Committee was advised that NAIT and SAIT are looking at a collaborative opportunity to work together on providing the ILMs (individual learning modules). NAIT has historically been maintaining the ILMs for the government and Alberta PSIs while working closely with the Alberta Apprenticeship and Industry Training Board. The Committee reviewed the joint venture and thought it had merit.

Moved by Valerie Berger that the minutes of the Meeting of the Finance Committee of September 15, 2016 be accepted as information.

Carried

3.6.2 Redirection of LRT-related Activities Reserve Fund

The Committee was advised that \$31,000 remained in the LRT station redevelopment fund and it was recommended that the funds be redirected to the Main Campus Renovations fund.

Moved by Val Berger that the Board of Governors approve the redirection of the remaining balance from the LRT-related activities Reserve to be redirected to the Main Campus Renovations Reserve in 2016-17.

Carried

3.6.3 Investment Report for the Year Ended June 30, 2016

Ms. Berger discussed the Investment Report contained in the meeting materials. She noted that the return on investment was 4.77% which was higher than the approved budget rate of return of 3.82%. The Investment Advisory Committee continues to be vigilant over NAIT's investment portfolio. The portfolio was also reviewed with TD Asset Management.

Moved by Val Berger that the Board of Governors accept the June 30, 2016 Investment Report as information.

Carried

3.7 Foundation Trustees (Valerie Berger)

3.7.1 Minutes of the meeting on September 15, 2016

Ms. Berger advised that the Foundation Trustees met on September 15, 2016 and the minutes are included in the board package for review. The Trustees approved the Foundation's Audited Financial Statements for the year ended June 30, 2016.

A special resolution was required due to the splitting of the Audit and Finance Committees. This special resolution approved changing the articles of association so as to align with NAIT's governance structure. The resolution was signed by all members. The resolution had been previously reviewed by the Governance Committee.

Moved by Val Berger that the Board of Governors accept the NAIT Foundation meeting minutes of September 15, 2016 as information.

Carried

3.8 Governance Committee (Jeff Mason)

Jeff Mason reported on behalf of the Governance Committee. Jeff referred to the minutes contained in the meeting package as well as asynchronous votes had by the Committee. Jeff advised that an update on the board recruitment process would be provided in the *in-camera* session with the Board.

Jeff noted that an asynchronous vote of the Governance Committee was held on June 23rd to approve the recruitment plan and schedule for new board members that was to be sent to the Minister. That vote was passed.

3.8.1 Minutes of the meeting of August 30, 2016

On August 30th, the Governance Committee met to review our upcoming board vacancies and to discuss the potential to add an external member to the Audit Committee.

Moved by Jeff Mason that the Board of Governors accept the Governance Committee meeting minutes of August 30, 2016 as information.

Carried

3.8.2 Asynchronous Vote of September 7, 2016 – Appointment of External Audit Committee Member

On September 7th, the Governance Committee met again for an asynchronous vote. The vote was called to approve the external member appointment to the Audit Committee. Jeff reviewed the background of Mr. Jake Gebert, the proposed external member, with the Board. Jeff noted that having an external member appointed to the Audit Committee is considered best practice and strengthens NAIT'S fiduciary oversight.

Moved by Jeff Mason that the Board of Governors accepts the asynchronous vote of September 7, 2016 of the Governance Committee confirming the appointment of Jonathan "Jake" Gebert as an external member of the Audit Committee effective September 21, 2016.

Carried

3.8.3 Asynchronous Vote of September 15, 2016

Jeff reported on the asynchronous vote of the Governance Committee held on September 15, 2016. In that vote, there were four items for the Committee's consideration and approval.

The Governance Committee was to approve the Indemnity Agreement for the external Audit Committee member and this was accepted. With the approval of Mr. Gebert's appointment to the Audit Committee today, the Board is requested to approve the Indemnity Agreement for Mr. Gebert.

Moved by Jeff Mason that the Board of Governors indemnify Jake Gebert as an independent Audit Committee member as presented.

Carried

The second item that the Committee was asked to vote on was the Alumni Association Policy and the Alumni Association Advisory Committee Terms of Reference. The Committee reviewed this and is recommending to the Board the adoption of the updated Alumni Association Policy ER 4.0, as well as the updated Terms of Reference for the Alumni Association, which both reflect name changes and the definition of alumni.

Moved by Jeff Mason that the Board of Governors approves the revised Alumni Association Policy ER 4.0 as presented.

Carried

Moved by Jeff Mason that the Board of Governors approves the Alumni Association Advisory Committee Terms of Reference as presented.

Carried

The third item for the Committee's vote on September 15th was the amendment to the NAIT Board Bylaws in relation to the Academic Council. The Board Bylaws were updated and approved at the May 9, 2016 Board meeting. During the course of the meeting, a potential inconsistency was raised in the revised Bylaws to the *Post-secondary Learning Act* ("the Act") as a result of Academic Council being added to the list of standing committees under the Board pursuant to section 5.2 of the Bylaws. The Board Bylaws have been amended to reflect that change in accordance to the Act.

Moved by Jeff Mason that the Board of Governors approve the revised NAIT Board Bylaws as presented.

Carried

The last item for the Committee's vote was the Articles of Association. This is in relation to the NAIT Foundation. The Articles of Association ("the Articles") of the Foundation currently reflect that the voting members of the Foundation are the persons who are members of the Finance & Audit Committee of the Board. The Articles also reflect the Trustees of the Foundation being persons who, at that time, were members of the Finance & Audit Committee of the Board.

However, the Finance & Audit Committee were approved to be split at the May 9th Board meeting so to align the members and Trustees of the Foundation to the members of the Finance Committee, a Special Resolution was required to amend the Articles. Jeff noted that Val Berger indicated in her Finance Committee report that the Trustees of the Foundation approved the Special Resolution such that the Voting Members and Trustees of the Foundation are aligned with the members of the Finance Committee of the Board of Governors.

Moved by Jeff Mason that the Board of Governors approves the asynchronous vote of the Governance Committee approving the amendment to the Articles of Association of NAIT Foundation.

Carried

3.9 Human Resources Committee (Daryl Kruper)

3.9.1 Minutes of the Meeting of May 24, 2016

Mr. Daryl Kruper advised that the Human Resources Committee received a presentation from the CEO of the Local Authorities Pension Plan (LAPP) on May 24th. The Committee also discussed the status of the negotiations on the NAIT/NASA agreement and the mandate was approved. The Committee also discussed various other matters including Essential Services, the *Public Sector Transparency Act* (Sunshine List) and the academic restructuring.

Moved by Daryl Kruper that the Board of Governors accept the Human Resources Committee meeting minutes of May 24, 2016 as presented.

Carried

3.9.2 Minutes of the Meeting on June 24, 2016

Mr. Kruper advised that at this meeting, the Human Resources Committee reviewed and accepted the tentative agreement between NAIT and NASA and recommended approval by the Board of Governors which was done via asynchronous vote of the Board.

Moved by Daryl Kruper that the Board of Governors accept the Human Resources Committee meeting minutes of June 24, 2016 as presented.

Carried

3.9.3 Minutes of the Meeting on September 6, 2016

Daryl reviewed the minutes of the Human Resources Committee meeting on September 6th and indicated that a presentation on the academic restructuring was provided by Kevin Shufflebotham and Bill Yaremko, who were heading up the implementation process.

The Committee also had a presentation on the Health and Safety Plan and Business Continuity Plan from Andrew Smith. The Committee learned that NAIT stepped up for the evacuees from the Fort McMurray fires who fled to Edmonton during those frightening days. NAIT was a centre for distribution of the prepaid debit cards issued by the government and the centre was set up with only hours' notice. Approximately 10,000 evacuees came through NAIT for their cards. This crisis triggered the need to revisit the Business Continuity Plan and Health and Safety Plan to ensure we are prepared for events like this in the future.

Daryl congratulated Andrew Smith who received a letter of commendation from Alberta Labour for his work as Vice-Chair of the Occupational Health and Safety Council of Alberta.

A submission on the right to strike and who should be appointed to the staff association under the PSLA and the Essential Services legislation is being prepared for submission to the government.

Daryl also noted that Dr. Neil Fassina has departed NAIT as Provost and VP Academic to take on the role as President of Athabasca University. Also departing was Dr. Forrest Tittle, Dean of the School of Sustainable Building and Environmental Management. Forrest has moved to BC for a position with BCIT. Recruitment for Dr. Tittle's position will commence this fall.

The Committee was pleased to hear that the response to the Employee Engagement Survey was overall, high relative to both the private and public sectors. On many important dimensions related to the overall health of the organization, the survey continues to indicate very significant strength.

Moved by Daryl Kruper that the Board of Governors accept the Human Resources Committee meeting minutes of September 6, 2016 as presented.

Carried

4. Presentation and Discussion

4.1 Productivity & Innovation Centre – GEC Architects

Dr. Feltham introduced Peter Osborne of GEC Architects who will give a presentation on the schematic design of PIC and where we are at on its progress. This project builds on the strengths and relationships we have achieved with industry. This building will be another transformative project for NAIT and be a major focal point for the campus (it will be what "polytechnic" means). It will help to diversify our economy and create a more sustainable future for all.

PIC will focus on three of NAIT's core strengths:

- Productivity enhancement
- Applied research
- An accelerator focused on advanced prototyping and manufacturing

Mr. Peter Osborne provided the Board with an overview of the latest schematic design of the Productivity & Innovation Centre and a description of the two types of labs that will be built. These labs will be flexible labs to foster innovation. He discussed the various differences in the two types of labs. The look of the PIC building will incorporate some of the designs of the other neighboring NAIT structures such as CAT and the HP Centre, so that they complement each other. The design is somewhat simplistic so as to speak to the innovative and creative use of the building and was also designed to meet the tight time constraints to have the structure built.

Discussion ensued with the Board and Mr. Osborne concluded his report and departed the meeting.

4.2 Enrolment Growth at NAIT: Meeting the Needs of Alberta

In order to achieve NAIT's vision and its promise to Alberta, NAIT needs to grow. Alberta needs a skilled workforce and by growing to meet those needs, students will have the opportunities for enhanced careers and credential progression.

There is growing demand for NAIT's hands-on learning and last year, NAIT received five applications for every one seat available in credit programs. We expect to see these application pressures increase in the coming years.

Kevin Shufflebotham presented to the Board the growth figures that NAIT has seen in the last few years. Fall-over-fall, we are up 4.5% for 2015/16 over 2014/15. Estimated FLEs are rising for 2016. Fall-over-fall, we are up 7.1% for credit enrolment.

New programs need to be polytechnic-based and relevant to Alberta and industry. There is increased need for the adoption of technology with simulation-enhanced instruction and learning. We are being purposeful with our targets but the need is definitely growing.

The Board discussed the figures with Kevin and thanked him for this enlightening information.

Kevin concluded his report.

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 Tuesday, December 13, 2016 at 4:00 p.m. followed by the Board Festive Dinner at 6:00 p.m.

8. In-camera session with the Board of Governors only

Moved by Larry Spagnolo that the Board of Governors enter an in-camera session.

Carried

External guests departed the meeting.

Dr. Feltham discussed the new Board member appointments and process. We are hopeful to have new members appointed by the end of the year.

Dr. Feltham discussed recent meetings with the City.

Moved by Daryl Kruper that the Board of Governors exit the in-camera session.
Carried

9. Adjournment

Moved by Allan Mah that the Board of Governors meeting be adjourned at 7:23 p.m.

Carried



Sandy Timmer, Recorder



Brent Hesje, Chair