



NORTHERN ALBERTA INSTITUTE OF TECHNOLOGY

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

Monday, December 7, 2015
4:00 to 6:00 pm
O102P Governors Boardroom

Members**Present:**

Brent Hesje (Chair)	Dr. Glenn Feltham	Valerie Berger
Keith Meagher	Randy McLeod	Mark Ohe
Allan Mah	Daryl Kruper	Jeffrey Mason
Shauna MacDonald	Justin Nand	Nicolas Brown
Ray Pisani	JudyLynn Archer	Randy Tribiger
Diane Brickner		

Resources:

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

Larry Spagnolo	Andy Clark
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1. Call to Order

The meeting was called to order by the Chair, Brent Hesje, at 4:00 p.m.

Brent welcomed everyone and made a special welcome to JudyLynn Archer as the newest Board member. Brent also welcomed Kim Watamaniuk, who is a business instructor and is attending to observe board governance.

Brent proceeded to review NAIT's governance model for the benefit of the new Board member as well as for everyone's refreshment.

The governance model works as follows:

- The Board makes all the decisions for NAIT – this is either done directly (there are some decisions made by the Board itself), or through delegating authority to management.
- The Board is a governance board, not an operational board, which means the Board focuses on setting the direction for the institution and on its fiduciary duties. That is, the Board only directly makes decisions related to strategic direction and to meet its fiduciary duty, with other decisions being delegated to management.
- Aligned with our governance model, our board meetings have three parts
 - First, management updates are provided, related to management's delegated authority.

- Second, board committee reports are provided, with motions brought forward from committees (much of the board work is done by its committees).
- Third, any issue or issues are discussed related to our strategy or fiduciary obligations.

Brent advised that there are three significant items in this agenda – one in each of the three parts of the meeting.

- First, as part of the Provost and VP Academic's update, there will be an update on administrative changes to the academic portfolio and the reports received from stakeholder groups. This topic is addressed in a management report – in this case Neil's report – as the changes are operational.
- Second, NAIT's Annual Report will be presented under the Finance and Audit Committee report. This report has been developed under the oversight of the Finance and Audit Committee and is now presented to the Board of Governors for approval.
- Finally, there is a presentation on Earned Revenue at NAIT. The purpose of this presentation is to provide an understanding of the magnitude and nature of these activities, as it affects our strategies and fiduciary duties.

a) Approval of the Agenda

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

Carried

b) Approval of Minutes of October 5, 2015

Moved by Nicolas Brown that the minutes of October 5, 2015 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

Glenn provided an overview of his report. He wished to start off with the following acknowledgement:

"We honour and acknowledge this is traditional treaty six territory and an important trading centre for the Metis Nation."

This acknowledgement is the language that will be used at NAIT at ceremonial events and important occasions. It was written by our aboriginal community leaders and elders.

Each post-secondary institute will be developing a truth and reconciliation acknowledgement as it is important to recognize inclusivity.

Glenn thanked the President's Council, Academic Council, and the broader leadership at NAIT for all the work they have done and continue to do.

Glenn also wished to thank Lara McClelland for her many contributions to NAIT as the Chief Strategy Officer. Lara has played a significant role in many initiatives at NAIT and the institute has benefitted from her involvement in several key areas including the Annual Report, Mental Health Awareness, and the Strategic Impact Report. There is no immediate plan to replace Lara.

Glenn pointed out highlights from two special events since the last meeting:

- Dino Day at the Telus World of Science – over 2,000 staff with their families attended on October 3rd
- Children's Christmas Party on December 5th – we had over 2,500 staff and families attending this year who enjoyed many festive activities around the main campus

The main areas that Glenn has been involved in are:

- Elevating polytechnic education and strengthening our post-secondary system
- Campus development
- Advocacy
- Financial sustainability
- Succession planning

Touching briefly on these points, Glenn advised that as Chair of Polytechnics Canada, he is advocating at the federal level for Canada's polytechnics. With the new federal government, there are important opportunities for NAIT to influence Canada's direction on skills development and innovation, and increase resources to the polytechnic sector.

In Glenn's role as Chair of the Council of Post-secondary Presidents of Alberta (COPPOA), his focus is working with the post-secondary presidents to build the strongest possible post-secondary system for Alberta. COPPOA has had a critical role to play in the recently announced initiatives by the new provincial government including changes to our labour model, the introduction of the sunshine list, a review of Alberta's boards and commissions (ABCs), and the adult learner review (a broader review of the post-secondary system).

Glenn was pleased to report that the sod-turning has taken place for the new Spruce Grove campus and construction is underway there. The Spruce Grove community has embraced the new campus.

The Skills Centre project has been presented to government and work continues to advance that project. As well, discussions continue with the City of Edmonton on the purchase of the bus barns land and the Blatchford lands.

Glenn is continuing to share the story of NAIT as a leading polytechnic with all levels of government as it is an essential part of the post-secondary system for Albertans and Canadians.

Financial sustainability is an important area that management is focusing on with the new provincial government's budget and the current challenges of the province's economy.

Glenn reviewed the following areas of risk for NAIT:

- Uncertainty but opportunity with the new provincial and federal governments. We continue to build effective relationships with the relevant ministries.
- Long-term financial sustainability – our financial outlook is somewhat uncertain with the changes in the economy.
- Changes to the academic portfolio have presented some challenges to the institute but we are working through them.
- Governance – there will be at least five vacancies on the Board come next October, including the Chair of the Board. The Governance Committee is working hard to ensure there is a proper succession plan in place.

The list of the President's activities since the last meeting are included in the meeting materials.

b) VP Administration and CFO

Dr. Ray Block reviewed his sector report to the Board.

Since the last Board meeting, a review of Executive Risk Registries (Academic, Administration, External Relations and CSO units) was completed. The Executive Risk Registries were recalibrated to reflect the current risk levels.

A number of audits have been completed according to the audit plan and is currently on schedule. A more detailed report on the audits will be presented to the Finance and Audit Committee in January.

A formal application had been made, in conjunction with the finance department, to have NAIT become a designated training office for CPAs and we have just received notice that this has been confirmed.

Ray reported that Heather Murray, our legal counsel, has joined the Council of Chief Privacy Officers of the Conference Board of Canada.

My Trade Secrets (MTS) apprenticeship self-service enrolment – NAIT will be the first training provider in Alberta to go live with My Trade Secrets. The tentative go-live date has been set for February 2, 2016.

Other programs reviewed:

- Student Relationship Management (SRM) – the system went live October 16th and will reduce the number of systems that staff use and help to work towards a more complete picture of staff interactions with students.
- FLE BI by Program – this project is to provide business intelligence reporting to each school on FLE counts so that each area can ensure they are on target for student FLE for the year and towards NAIT 2021.

- Enterprise Information Management (EIM) – the business case has been reviewed by the steering committee and will go forward to the executive sponsors in early December.
- Broadband Expansion over Dark Fiber – the physical link between NAIT and Enterprise Square in downtown Edmonton is now complete for high speed connectivity that will meet a large part of our current and future needs for external bandwidth.
- Technology for CAT – the majority of the network equipment for the building has been ordered and will be on site later this year and early next year to begin the installation process.
- Student Support – our helpdesk has welcomed over 200 students since the beginning of September.
- Next Generation Firewall – ITS implemented a next generation firewall at the network edge. This device stands between NAIT and all the external networks and will provide substantial value by minimizing business disruption for years to come.

Ray also reported that discussions continue with the City and provincial government on the expansion lands for NAIT. This is in relation to the bus barn lands and Blatchford.

Ray was pleased to advise that the STEP Program has been re-started by the provincial government. This is a summer job program for students. NAIT will work with industry on this program.

c) VP External Relations and CDO

George Andrews provided a brief overview of his sector report contained in the meeting materials.

George indicated that with the turn in the economy and accordingly, a downturn in donations, we are now able to accept in-kind donations from companies. Other post-secondary institutes in Alberta are experiencing the same difficulty with attracting donations.

On the positive side, the Essential Campaign is at nearly \$70M of its \$100M goal. The Campaign has generated approximately \$4.8M which has been identified in support of CAT.

In this past quarter, a total of \$515,590 in bursaries and scholarships were distributed to 269 student recipients.

The current low oil price is expected to have an impact on DCICE and its services and programming. Likely, with the slowdown in the economy, industry will significantly reduce their training budgets.

Other programs of note:

- We are working on potential interest in the Mexican market that could realize gains in the next fiscal cycle; as well, there is interest related to Columbia and Peru.

- The ILM department completed Q1 with a gross revenue of \$276K. We are currently in active negotiations with the provincial government for renewal of transfer of the ILM project to a NAIT/SAIT partnership.
- At the end of Q1, DCICE managed a total of 12,939 enrollments.

Changes in the provincial and federal governments have presented opportunities to share the story of NAIT. Several Ministers, Deputy Ministers and MLAs have met with, or will meet with, Administration.

d) Provost and VP Academic

Dr. Neil Fassina provided a summary of his report to the Board.

Neil was pleased to report that NAIT is on track for a year-over-year growth of 400 FLE (full-load equivalent) in 2015/2016. This will be confirmed after January's intake. There is still a significant risk in relation to the apprenticeship numbers for 2016/2017 with the downturn in the economy.

Neil has been spending a great deal of time to position NAIT in a leadership role in building a stronger post-secondary system in Edmonton and Western Canada. Neil is chair of the Edmonton Coalition of Post-secondary Institutes (ECSPI). One of the main focuses of the Coalition is to bring our Registrars together to find a way to remove systemic barriers among the institutes in Edmonton. Of note, the group's 30-year plan was presented at the National Skills Summit in November and has since been invited into the CiCan National Conference next May.

Another significant initiative that Neil is involved in is chairing the group of Provosts from the Western Canadian Polytechnics.

The first draft of the internationalization strategy is starting to take shape. This strategy will help to put an internationalization lens on a number of our activities including both inbound and outbound student and staff experiences.

In addition to the progress being made on the Academic Plan, we are also continuing to make progress on the administrative restructuring in the academic portfolio. Neil thanked the Transition Team for its dedication to moving this significant change forward. In his report, Neil acknowledged elements of the rationale for change, the change process itself along with associated timelines, significant milestones reached to date, and key next steps.

Reports from various stakeholders were sent to Neil, at the request of the Board, and the summary of those reports is contained in the Board's meeting materials. Neil addressed the key themes and risks outlined in the reports. He further noted the risk mitigation processes that have been or would be put in place to address key risks. Neil commented that no mission critical risk had been identified. Finally, he commented on how the change process had been adapted since receiving feedback.

Neil indicated that questions on the restructuring were received by him in advance of the Board meeting. Questions sought to address the alignment of changes to NAIT 2021, the immediacy of changes, the impact on student growth, the quality and success of

communications, the role of the NAIT way values, financial sustainability, and the impact on a culture of accountability. Each question was addressed in turn.

Additional questions and discussion ensued from the floor and Neil concluded his report.

Brent wished to thank all the stakeholder groups for submitting their reports for the Board's consideration.

3. Committee Reports

3.1 Human Resources Committee (Diane Brickner)

a) Minutes of the meeting of November 23, 2015

Diane Brickner reviewed the minutes contained in the meeting materials. Diane advised that the Director of Health and Safety Services presented the Health and Safety Strategic Plan to the Committee. The Plan is designed to support the progressive nature of health and safety at NAIT and is purposeful and measureable. It also aligns with NAIT 2021. The Strategic Plan was approved by the Human Resources Committee.

It was also noted that optional WCB coverage for Board members is recommended and other post-secondary institutes are doing the same.

Moved by Diane Brickner that the minutes of the November 23, 2015 Human Resources Committee meeting be accepted as presented.

Carried

Moved by Diane Brickner that the Board to move to an in-camera session.

Carried

b) In-Camera with Board

i. Essential Services Update

Glenn provided a review of the meetings with Government on the changes to the Essential Services legislation. COPPOA has provided a collaborative submission to Government on its position regarding Essential Services.

Moved by Diane Brickner that the meeting exit the in-camera session.

Carried

3.2 Academic Council (Glenn Feltham)

a) Minutes of the meeting on October 20, 2015

Moved by Dr. Glenn Feltham that the Academic Council meeting minutes of October 20, 2015 be accepted as presented.

Carried

- i) HVAC Change of Name Request

Moved by Dr. Glenn Feltham that the Board of Governors approve the proposed change of name for the HVAC program/specialization title to HVACR – Heating Ventilation Air Conditioning Refrigeration Technician – for submission to and approval by the Ministry of Advanced Education.

Carried

3.3 Campus Development Committee (Mark Ohe)

- a) Minutes of the meeting of November 19, 2015

Mark Ohe briefly discussed the meeting of the Campus Development Committee on November 19th. Mark indicated that the CAT design and construction continues to be on schedule and on budget. An operational readiness plan is in place with occupancy anticipated to be late summer or early fall 2016.

The Spruce Grove campus had its sod-turning event and is underway. As noted earlier, the town of Spruce Grove is excited to have NAIT in their community. This project will be transformational for NAIT.

The Committee also reviewed the various options for the restack of the L and T Buildings. The Committee decided to have Administration complete a further investigation on the utilization of both buildings for presentation at a next CDC meeting.

The Committee was also advised that in accordance with NAIT's naming guidelines, functional names for proposed spaces in CAT were approved. As well, the Spruce Grove campus site was approved as "Spruce Grove Campus". The actual building will be named at a later date.

Moved by Mark Ohe that the Campus Development Committee meeting minutes of November 19, 2015 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.

Moved by Mark Ohe that the donor recognitions and naming grids be approved by the Board of Governors as shown in the board package.

Carried

3.4 Executive Committee (Brent Hesje)

- a) Minutes of October 15, 2015

Moved by Brent Hesje that the Executive Committee meeting minutes of October 15, 2015 be accepted as information.

Carried

3.5 External Relations Committee (Brent Hesje)

a) Minutes of November 19, 2015

Brent Hesje reviewed the External Relations Committee meeting of November 19th in Larry Spagnolo's absence.

Brent noted that Dr. Glenn Feltham's roles as Chair of COPPOA, Chair of Polytechnics Canada, and a member of the Chambers of Commerce for Edmonton and Canada, are key opportunities for elevating NAIT's and polytechnic institutes' profiles with provincial and federal governments.

NAIT has a significant role in building Alberta's workforce and working with the provincial government's economic development and diversification agenda. The Skills Centre is an example of this. Education is an investment, not a cost.

Opportunities exist to engage both the new provincial and federal governments to the needs of NAIT and post-secondary institutes.

Moved by Brent Hesje that the External Relations Committee meeting minutes of November 19, 2015 be accepted as information.

Carried

3.6 Finance and Audit Committee (Valerie Berger)

a) Minutes of November 24, 2015

Val Berger briefly discussed the Finance and Audit Committee's (F&A Committee) meeting of November 24, 2015, the minutes of which are contained in the meeting materials.

Moved by Valerie Berger that the Finance and Audit Committee meeting minutes of November 24, 2015 be accepted as information.

Carried

b) Annual Report and Presentation

- i) Briefing**
- ii) Annual Report**

Ms. Berger reported that the Annual Report was reviewed by the F&A Committee at their November 24th meeting. Details of the Annual Report are contained in the meeting materials. This year's Annual Report is one of NAIT's strongest annual reports. Val invited Dr. Glenn Feltham to review the Annual Report.

Dr. Feltham pointed out that approving the Annual Report is one of the Board's primary fiduciary duties. The Annual Report aligns strongly with NAIT's four pillars and to NAIT 2021. Glenn also wished to acknowledge Lara McClelland's excellent work with her team to prepare the Report. The Auditor General's office has also reviewed the Report.

There were 31 core metrics that were used including items such as employment, applications, growth, and a number of applied research projects. Employment of students still remains high (92%) and we are seeing the FLEs (full-load equivalent) continue to increase. Applications over quota are also up.

Although NAIT has an operating surplus, this is not expected to continue with the downturn in the markets and lower investment revenues, and the challenges to Alberta's current economy. The institute is impacted by earned revenue, uncertain government funding, tuition funding, and the cost of operations.

Val concluded the review by thanking Dr. Feltham and his team for the excellent Annual Report and another successful year at NAIT. NAIT's Annual Report once again demonstrates its commitment to becoming a world-leading polytechnic. Both student and employer satisfaction remain high and NAIT is contributing to Alberta in a significant way.

Moved by Dr. Glenn Feltham that the Board of Governors approve NAIT's Annual Report for the fiscal year ended June 30, 2015 with such non-substantive changes that management of NAIT considers necessary or advisable.

Carried

c) Financial Report for the Three Months Ended September 30, 2015

Ms. Berger informed the Board on the financial report for the first quarter. She noted that there was a \$7.7M excess of expenditures over revenue this quarter. Administration has committed to mitigate the actual amount of the deficit to the best extent possible during the course of the year and will provide quarterly updates to the Finance and Audit Committee, Board of Governors and Advanced Education on the financial progress throughout the year.

Moved by Valerie Berger that the Board of Governors accept the September 30, 2015 Financial Report as information.

Carried

d) Investment Report for the Three Months Ended September 30, 2015

Val provided a brief overview of the Investment Report for the three months ended September 30, 2015. Val advised that the accounting rate of return for these three months was .84% which is lower than our approved budget rate of return of .95% for the quarter. As at September 30th, our cash, cash equivalents, short-term investments and long-term investments, stood at \$450.2M.

Moved by Valerie Berger that the Board of Governors accept the June 30, 2015 Investment Report as information.

Carried

e) Compliance Certificate

The Compliance Certificate in the meeting package 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 July 1, 2015 to September 30, 2015 as information.

Carried

3.7 Foundation Trustees (Valerie Berger)

Val advised that the Committee did not meet this quarter.

3.8 Governance Committee (Randy McLeod)

a) Minutes of the meeting of November 27, 2015

Randy McLeod provided the Board with a brief report of the Committee's meeting on November 27, 2015. Randy advised that a board succession plan was discussed as there will be five vacancies on the Board by next October, including Brent Hesje as Chair. The Committee is developing a skills matrix to provide to government for their information on the types of skills NAIT board members should have.

The Committee also discussed appointing a Vice Chair for the Board so that there is transition between Chairs and to assist with the demands on the Chair and President.

Moved by Randy McLeod that the Governance Committee meeting minutes of November 27, 2015 be accepted as information.

Carried

b) Board Appointment

Randy advised that, as Brent introduced earlier in the meeting, we have a new Board member, JudyLynn Archer. JudyLynn brings her skills and knowledge as President and CEO of Women Building Futures and of the trades industry, to the Board. We are pleased to have JudyLynn join us.

Moved by Randy McLeod that the Board of Governors approve JudyLynn Archer being appointed to the NAIT Board of Governors.

Carried

c) Vice Chair Position

The Governance Committee recommends that the Board of Governors approve the addition of the Vice Chair position to the Board to allow for proper succession at the Board level.

Moved by Randy McLeod that the Board of Governors approve the addition of a Vice Chair position to the NAIT Board of Governors.

Carried

4. Presentation and Discussion

4.1 Earned Revenue at NAIT

Due to time constraints for the meeting today, this presentation will be emailed to all Board members for their review. This item will be added to the next Board meeting agenda for further discussion.

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, February 8, 2016 at 4:00 p.m.

8. Adjournment

Moved by Randy McLeod that the Board of Governors meeting be adjourned at 6:00 p.m.

Carried

Sandy Timmer, Recorder

Brent Hesje, Chair