



NORTHERN ALBERTA INSTITUTE OF TECHNOLOGY

Minutes of the One hundred thirty-seventh regular meeting of the Board of Governors

Monday, December 8, 2014
4:00 to 6:03 pm
O102P Governors Boardroom

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| Members Present: | Brent Hesje (Chair) Jeff Bailey Daryl Kruper Keith Meagher Jeff Mason | Dr. Glenn Feltham Allan Mah Kevin Nabholz Larry Spagnolo (via teleconference) Allannah Wrobel | Hasib Baig Darcy Corcoran Valerie Berger Mark Ohe |
| Recorder: | Corie Phillips | | |
| Resources: | Dr. Neil Fassina Lara McClelland | Dr. Ray Block | George Andrews |
| Guests: | Doug Short Mike Meldrum | Terry Sulyma | Jeff Dumont |
| Regrets: | Ray Pisani Andy Clark | Diane Brickner | Randy McLeod |

1. Call to Order

The meeting was called to order at 4:00 pm.

Brent provided a warm welcome and introduction to the new public Board member, Valerie Berger. Brent then invited all members to provide roundtable introductions and spoke of the importance of the launch of Essential: The NAIT Campaign, which requires the innovation and leadership that encompasses the leadership of NAIT.

a) Approval of Agenda

Moved by Kevin Nabholz that the agenda be approved as presented.

Carried

b) Approval of Minutes of October 6, 2014

Moved by Daryl Kruper that the minutes of October 6, 2014 be accepted as presented.

Carried

c) Business Arising from Minutes

ACTION: A more in-depth discussion of the decrease in FLE enrolment will be provided at the next Board meeting.

Glenn will review this topic under his Annual Report presentation.

ACTION: A copy of the Health and Safety report will be shared with all Board members once it is presented to the Human Resources Committee.

The report is included in Appendix F for information.

There was one item brought forward from the May 2014 meeting regarding a listing of the top five risks being provided to the Board. A first draft was presented to the Finance and Audit Committee at their November meeting and a more complete listing will come to the Board at their February meeting.

2. NAIT Executive Reports

a) Office of the President and CEO

Glenn advised that the focus of the discussion at today's meeting would relate to capital priorities. The foundations of an ambitious capital plan aligned with achieving NAIT 2021 will be presented.

Dr. Glenn Feltham proceeded to provide an overview of his report as follows:

- Acknowledge the work of the Executive, President's Council, Academic Council, and the broader leadership of NAIT.
- Advocacy – continuing a strong focus on meeting with all three levels of government.
- Capacity
 - Continue to work with both the Ministry of Innovation and Advanced Education, Ministry of Infrastructure, and the City of Edmonton to acquire lands on Blatchford and the bus barns adjacent to the lands.
 - Working to acquire a new campus for Crane & Hoist and land for the Collegiate.
 - CAT is progressing well.
- Fundraising
 - Major focus on fundraising with the launch of the Essential: The NAIT Campaign on November 27th with a \$100M goal.
 - NAIT it Forward, the faculty and staff campaign, raised more than \$61,000 with 560 staff donations.
- Pathways – at the last Board meeting, the concept of a NAIT Collegiate was discussed; two days later an announcement followed by the Government of Alberta with two new high schools that will form the NAIT Collegiate. Lara has been instrumental in moving this project forward.
- Items of Interest
 - Honourable Stephen McNeil, Premier of Nova Scotia, visited NAIT on November 26th, accompanied by Honourable Don Scott, Minister of Innovation and Advanced Education. The discussion focused on apprenticeship, labour mobility, polytechnic education, and the role of NAIT in Alberta and Canada. NAITSA also joined the meeting.
 - NAIT retained second place in the national ranking of Canada's Top 50 Research Polytechnics and Colleges, after attracting \$9.7M in research funding last year.
 - NAIT Children's Christmas Party held on Saturday, December 6th was attended by close to 2500 people.

- Glenn has been appointed to the Board of the Edmonton Chamber of Commerce.
- Risk Report – overall NAIT’s risk profile remains reasonably stable. Glenn noted two areas:
 - Declining oil prices may attribute to a decreased level of funding by the Provincial Government. The Executive and team will continue to monitor the potential impacts on NAIT.
 - In addition to CAT, NAIT has several other capital needs that are central to achieving NAIT 2021.
 - Developing an overall plan for capital expansion, which includes a listing and description of our needs.

b) Provost and VP Academic

Dr. Neil Fassina provided an overview of his report as follows:

- Academic Plan – work continues in relation to the finalization of the rolling four-year academic plan. Consultation has been completed with President’s Council, Academic Council, Provost’s Council, Student Senate, faculty and staff, leadership teams in academic units and the senior leadership team in the academic portfolio. The plan is set to be presented to the Board in February 2015.
- Enhancing Program Health & Quality Assurance – initiative is intended to help program leaders generate diagnostic and strategic information relative to their programs administration and quality assurance.
- Changes within the Ministry of Innovation and Advanced Education with the appointment of Peter LeClaire, Assistant Deputy Minister, Advanced Learning and Community Partnerships Division, who was a former Provost in Alberta. Peter will bring an understanding and level of insight to the position. Andre Tremblay, is the Acting Assistant Deputy Minister for the Apprenticeship and Student Aid Division for IAE.
- Two senior leadership searches will be conducted prior to the winter break for the Vice Provost; Dean, JRSSB; and in the new year for the Dean, School of Health Sciences, to enable successful succession planning.

c) VP Administration and CFO

Dr. Ray Block provided an overview of his report as follows:

- The Board approved the 2014/15 Budget with an excess of expense over revenue (a deficit) of \$12.4M. The NAIT draft budget was submitted to Finance and Audit Committee on April 23, 2014 and subsequently approved by the Board of Governors on May 14, 2014. The draft budget reflected a budgeted deficit in years 1 and 2 of the plan, using the \$18M reserve previously set aside by the Board to cover deficits. As of September 30, 2014, the first quarter results from operations reflects actual revenue of \$77.7M and expenses of \$83.1M. The current forecast based on the first quarter actuals projects an \$11.9M excess of expenses over revenue.
- The Financial Sustainability Task Force (FSTF) continues to reassess its focus and goals, terms of reference, and membership, due to the four main projects and the downward pressure on oil prices.
- Kudos to Heather Murray, General Counsel, for joining the Council of Chief Privacy Officers of the Conference Board of Canada.

- The previous CFO for the City of Edmonton, Lorna Rosen, has now been appointed as DM, Education.
- My Trade Secrets (MTS) is an initiative aimed to provide a self-service registration portal for apprentices across the province. In September, AIT has offered to work with NAIT to explore ways to alleviate lineups that do not involve technology.
- A revision to the Forecasting chart of Ray's report was to reflect the dates of 2014/15, not 2013/14.

d) VP External Relations and CDO

George Andrews provided an overview of his report as follows:

- The Essential: The NAIT Campaign has raised \$54M of the \$100M goal; \$3M has been pledged towards the capital costs of the Centre for Applied Technologies.
- Marketing & Communications has produced several videos that have been picked up internationally in Cuba and China, being aired on their local TV stations. The team has been busy with the Annual Report, community reports, donor reports, and the Essential Campaign kickoff.

e) Chief Strategy Officer

Lara McClelland provided an overview of her report as follows:

- Collegiate for Science, Technology, and the Trades
 - The goal of the Collegiate is to build seamless pathways through to NAIT and any post-secondary institution, to a career.
 - October 8, 2014 Premier Jim Prentice announced 55 new schools in Alberta including two schools that will form the NAIT Collegiate for Science, Technology and the Trades; one school for Edmonton Public School District (EPSD) and one for Edmonton Catholic School District (ECSD).
 - Initial partner was ECSD and expanded to include EPSB.
 - Meeting on October 24th with the three partners and the Deputy Ministers of Education, Infrastructure, and Innovation and Advanced Innovation and Education. An additional meeting with the City of Edmonton followed. The two meetings resulted in requesting specific deliverables to be completed by a specified timeline.
 - Time sensitive deliverables are underway: (1) development of a Project Charter amongst the three primary partners; (2) a land acquisition strategy; (3) identification of approximate capital costs; and (4) a renewed business case.
 - Current work is being done on developing a business case, project charter, and a depiction of the lands.
 - The average age to enter NAIT is 24.2 years of age.
- Labour Market Demand and Program Growth – aligned NAIT's programs to national occupational classifications (NOCs). The alignment will support NAIT's business intelligence through matching NOCs to the Government of Alberta's long term demand and supply outlook model. Through this analysis, NAIT is able to identify the

magnitude and directionality of program growth – for the next ten years – for the majority of its programming in order to meet labour market needs.

3. Committee Reports

3.1 Academic Council (Glenn Feltham)

a) Minutes of September 30, 2014

Glenn advised that a draft of the Academic Plan was presented to the group at the September meeting, which as Neil already mentioned, will be brought forward to the February Board meeting.

Moved by Dr. Glenn Feltham that the Academic Council meeting minutes of September 30, 2014 be accepted as information.

Carried

b) Minutes of November 18, 2014

The minutes of November 18, 2014 were requested to be withdrawn until approved by Academic Council at its next meeting.

3.2 Campus Development Committee (Kevin Nabholz)

a) Minutes of November 25, 2014

Kevin provided an overview of the minutes as follows:

- Fiona Patterson, Manager, Post-Secondary Institutions, Infrastructure, and Mike Majeed Manager, Capital Planning and Campus Alberta Grants, Innovation and Advanced Education provided an overview of the Infrastructure Maintenance Program (IMP).
 - IMP is a program that provides funding to all supported infrastructure and government facilities to assist with maintaining the condition of facilities and to cover the cost of repairs, upgrades, maintenance to and replacement of building systems and major building components.
 - NAIT's IMP funding is \$2.8M or 6% of the total annual provincial IMP budget. With NAIT's deferred maintenance estimated to be \$66 million you can see what a challenge this creates.
- As provided by Lara in her report, the Collegiate is being advanced forward, the whole CDC is pleased with this.
- Executive Committee whiteboard discussions focused on supporting growth as NAIT's promise to Alberta is to meet the current and emerging needs for polytechnic education and applied research.
- The City of Edmonton approved the rezoning of the affected lands to Urban Services (US) which will permit non-airport purposes including educational use for the provincial hangar.
- The Parkwest Building is still pending clarification of funding approval from Alberta Innovation and Advanced Education.
- CAT project is on time and on budget. A move-in and transition management plan has been initiated, and a team has been assembled that will be comprised of: a move-in project manager, staff liaison resource, CAT transition team, and change management resource.
- The St. Albert building sale will close and finalize December 19th.
- Crane and Hoisting – IAE has asked if NAIT would look at substantially increasing the capacity of the program.

Moved by Kevin Nabholz that the Campus Development Committee meeting minutes of November 25, 2014 be accepted as information.

Carried

b) Donor Recognition & Naming Grids

Kevin advised that 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 Kevin Nabholz that the Board of Governors approve the naming grids and donor recognitions as follows:

NAIT – Main Campus –

| GIFT LEVEL | NAMING OPPORTUNITY |
|-------------------|---------------------------|
| \$100,000 | 101D Classroom |

NAIT Centre for Applied Technologies

- Classroom (101D; 10 year term) – Millar Western Forest Products Ltd. (\$100,000 cash)

Carried

3.3 Executive Committee (Brent Hesje)

a) Minutes of October 16, 2014

Brent advised that Executive Committee consists of the Chairs of the various Committees to ensure a degree of continuity. The majority of the Executive Committee meetings consist of an in-camera session to review the effectiveness of the Board meeting held prior to ensure continuous improvement.

Moved by Brent Hesje that the Executive Committee meeting minutes of October 16, 2014 be accepted as information.

Carried

3.4 External Relations Committee (Larry Spagnolo)

a) Minutes of November 26, 2014

Larry provided an overview of the minutes:

- On October 8, 2014, Premier Prentice announced 55 new schools in Alberta, including two high schools under the Collegiate.
- On October 9, 2014, Federal Minister Kenney and Provincial Minister Ric McIver used NAIT to back drop the Canada-Alberta job grant.
- Acknowledgement of the generous personal contribution from Brent and Deborah Hesje to the Essential campaign.
- Changes to the Brand Advisory Subcommittee has resulted in no meeting taking place as of yet, until a subcommittee refresh has taken place.

- 735 individuals viewed the donor videos on launch day of the Essential campaign.
- Larry thanked those who have already made a donation to NAIT, and encouraged those who haven't to ensure a 100% participation rate at whatever level, from the Board contributing to the capital campaign.

Moved by Larry Spagnolo that the External Relations Committee meeting minutes of November 26, 2014 be accepted as information.

Carried

3.5 Finance & Audit Committee (Brent Hesje)

a) Minutes of November 27, 2014

Brent Hesje provided an update of the minutes as follows:

- The business arising from the September 15th meeting requested a potential hazardous materials and environmental contamination inventory. Procedures will continue to be reviewed to ensure that NAIT continues to appropriately recognize liability for all of the hazardous materials as required by the Public Sector Accounting Standards.
- The IT Strategic Plan is close to completion and will be presented to the Finance and Audit Committee.
- The tuition working group is in the process of finalizing the strategic application of CPI to the four tuition fee bands.
- General Counsel advised there was no recent activity under FOIP, anti-spam legislation, or safe disclosures.
- Provided with an overview of the strategic risks for NAIT as a whole, the alignment with NAIT 2021 and the individual and collective meetings held with Executive that have been held over the past few months. The proposed mitigating strategies/actions are in line with the strategic plan.
- Ross Wilson, Manager, Internal Audit provided an update on the progress and timing of current internal audits being conducted.

Moved by Brent Hesje that the Finance and Audit Committee meeting minutes of November 27, 2014 be accepted as information.

Carried

b) Annual Report and Presentation

Glenn provided a presentation on the annual report focusing on the following:

- This is NAIT's strongest Annual Report yet. It tightly aligns with NAIT 2021, transparently shares performance and provides detailed explanations of variances.
- Progress over the last year led by Lara along with Jeff and others, fantastic job.
- A primary theme throughout the document is change. These changes included: transitioning continuing education credit programming into the schools, implementation of the Academic Model, new fiscal policies, refinement of definitions or changes to department core mandates, labour market negotiations and internal policy changes.
- NAIT's newly approved Mandate Statement, as of June 12, 2014, is included in the Annual Report.
- Plans for next years' report include an introduction of social media, and continued tightening of accountability in the inclusion of benchmarks.

Glenn followed up on the outstanding action item related to the decrease in 700 FLE enrollment. This reduction was partially attributed to the following:

- Transition of continuing education, some became non-credit such as power engineering.
- Behavioural impact of the academic model, students were no longer required to take a full course load, and changes were made to the student application process.
- NAITSA UPass fees

Moved by Brent Hesje that the Board of Governors approve NAIT's Annual Report for the fiscal year ended June 30, 2014 with such non-substantive changes that management of NAIT considers necessary or advisable.

Carried

- c) Financial Report for Quarter Ended September 30, 2014

Moved by Brent Hesje that the Board of Governors accept the September 30, 2014 financial report as information.

Carried

- d) Investment Report for Year Ended September 30, 2014

Moved by Brent Hesje that the Board of Governors accept the September 30, 2014 investment Report as information.

Carried

- e) Compliance Certificate

Moved by Brent Hesje that the Board of Governors accept the Compliance Certificate for the period of July 1, 2014 to September 30, 2014 as information.

Carried

3.6 Foundation Trustees (Brent Hesje)

- a) Minutes of September 15, 2014
The committee has not met.

3.7 Governance Committee (Glenn Feltham)

- a) Minutes of November 3, 2014
Glenn advised that the meeting focused on legal liability for Board members, academic progression, policy framework, issues brought forward on committee membership and the distribution of board materials, and on the gap analysis/criteria for the recommendation of Board appointments.

Moved by Glenn Feltham that the Governance Committee meeting minutes of August 12, 2014 be accepted as information.

Carried

- b) Board Committee Appointments
Glenn advised that due to the vacancy created by Kerry Brown on the Board, a vacancy is also created as Chair of the Finance and Audit Committee. Also, as per the Post-

Secondary Learning Act, there is an allowable amount of additional senior officials to be added to the council. The current senior officers include Neil and George. Accordingly to NAIT's Academic Council Terms of Reference, up to three senior officials may be appointed in addition to the President & CEO. It was agreed that the perspective of an Academic Dean would be of great support to the Council.

Moved by Glenn Feltham that the Board of Governors approve Valerie Berger being appointed as Chair of the Finance and Audit Committee; and Malcolm Haines be the additional Academic representative on Academic Council.

***Carried
Valerie Berger abstained***

c) Academic Progression Policy AR2.0

Glenn advised the purpose of the policy is to ensure transparent processes to assess student progression and provide clear, timely communication of success criteria and academic standing as a means to enable student development, accountability, and success. This policy sets forth the highest parameters for academic progression, in terms of academic standing, guided by the procedures to follow. Proper consultation is engaging students, and that students have been a fundamental part of the consultation process, and will continue to be.

Moved by Glenn Feltham that the Academic Progression Policy AR2.0 be approved by the Board of Governors.

Carried

d) Minutes of the Asynchronous Vote of November 13, 2014

Glenn advised that some revisions had to be made on both the Policy Framework and Indemnity Agreement, so therefore an asynchronous vote was needed.

Moved by Glenn Feltham that the Governance Committee meeting minutes of November 13, 2014 be accepted as information.

Carried

e) Indemnity Agreement

Glenn advised that while board members are protected against legal liability under the Post-Secondary Learning Act, non-board members who sit on the Investment Subcommittee may not be protected. The Indemnity Agreement provides protection and is good practice. The agreement has been reviewed by both the Finance and Audit Committee and General Counsel. A similar Indemnification Agreement is recommended for those non Board member individuals sitting on: External Relations Committee, Fundraising Subcommittee, Advocacy Subcommittee, and Branding Subcommittee. The By-Laws of the Board contain specific indemnification for Officers of the Institute, defined as the President and CEO, Provost and Vice President Academic, Vice President Administration & CFO and the Vice President External Relations & CDO. As the Chief Strategy Officer position is not within the definition, it is recommended that an Indemnification Agreement also be entered into with the Chief Strategy Officer.

Moved by Glenn Feltham that the Board of Governors approve the indemnification of the non-Board members and the respective agreements as identified.

Carried

f) Policy Framework

Glenn advised that the framework directs the development, implementation and review of administrative and academic policies and procedures. It ensures that policies and procedures are developed and reviewed consistently and appropriately. In the past there were two groups – administrative and academic – where both entities were moving policies through the process to the Board, through different avenues. The framework will ensure the process is streamlined, institution wide.

Moved by Glenn Feltham that the Policy Framework be approved by the Board of Governors.

Carried

3.8 Human Resources Committee (Brent Hesje)

a) Minutes of November 19, 2014

Brent provided an overview of the minutes as follows:

- Bill 45, the Public Sector Services Continuation Act and Bill 46m the Public Sector Service Salary Restraint Act have been withdrawn.
- NASA language re-opener as per the agreement finalized in the spring. Negotiations will commence in January 2015.
- Collective agreements for both NASA and AUPE, along with the terms and conditions of management and excluded (MAE) employees were finalized. Thanks was provided to those staff who worked so hard to achieve the short turnaround time, the implementation of the agreements impacted over 2800 staff.
- Flexible Benefit spending account empowers staff to allocate their benefits to a health spending account, a wellness account, or an RRSP. It was estimated that over 1000 employees attended the information sessions for the allocations.
- There are numerous HR implications with the opening of CAT in September 2016. As mentioned by Kevin in the CDC report, a three-member team is being assembled to spend the majority of their time focused on lead responsibilities for the human side of the transition to CAT.

Moved by Brent Hesje that the Human Resources Committee meeting minutes of November 19, 2014 be accepted as information.

Carried

4. Presentation and Discussion

4.1 Capital Priorities (Glenn Feltham)

Glenn provided an overview of capital priorities. To meet our promise to Alberta to meet the current and emerging needs for polytechnic education and applied research, and to achieve the broader vision of NAIT 2021, NAIT must grow. To grow, NAIT needs appropriate funding for program expansion and additional capital infrastructure of a level consistent with other leading polytechnics.

- ❖ In various meetings with the Government at all levels, the importance of a funding model based on strategic growth will continue to be stressed.
- ❖ Growth should align with labour-market demand – the post-secondary funding model needs to reflect this.
- ❖ To achieve growth, NAIT needs to expand its capital infrastructure.
- ❖ We need to ensure that NAIT has appropriate high-level polytechnic facilities as we are aspiring to be one of the world's leading polytechnics; our infrastructure should reflect this aspiration.
- ❖ Previously NAIT's campus plan centred around a two-campus model where NAIT's main

campus would house three of the four educational pillars – Science & Technology, Health, and Business. The fourth pillar, Trades, would be consolidated onto a South Campus.

- With the closure of the municipal airport, NAIT’s long-term capital plan shifted from a two-campus model to a single-campus model with consolidation of all four pillars onto the Blatchford lands.
- The closure of the airport allows NAIT to grow both outward and upward.
- ❖ The projects are separated into three categories:
 - Building Core capacity (Category 1) – Focuses on the core capacity of NAIT to educate students and to perform applied research – the infrastructure that is directly aligned to growth.
 - Skills Centre would focus on the fourth pillar – Trades.
 - Productivity Improvement Centre (PIC) – consider how to expand not just our programs, but also our role with industry both in productivity enhancement and in applied research.
 - Crane & Hoist – need a long-term solution that will allow NAIT to increase capacity and provide an improved student experience.
 - Pathways and access (Category 2); Important priority in NAIT 2021 is the development of meaningful pathways into NAIT, within NAIT, and from NAIT.
 - Collegiate – students will receive a rigorous hands-on technology-based education, competitive admissions process to ensure students will be successful.
 - Student Housing – to ensure broad access to polytechnic education, it is important that there be appropriate student housing.
 - Support infrastructure (Category 3); Important that we have effective and efficient support structures, including for administration and distribution.
 - Important that we have facilities to advance the student and staff experience, including the development of appropriate recreational facilities and access of staff and students to health care.
 - Administration Building, Distribution (Materials Management/Building Services) Centre, Recreational Facilities, Primary Care Centre/Medicentre and Retail and Commercial Opportunities.

Comments were provided roundtable to add deferred maintenance to category 3, and to ensure that the thinking around sources of funding be expanded.

5. Correspondence

There was no correspondence received.

6. Board Member Contact List

7. Next Board Meeting

The next meeting will be held Monday, February 2, 2015.

8. Adjournment

Brent reiterated his encouragement for the Board members to attend convocation as it allows us to celebrate our students’ success and transition in life.

Moved by Allan Mah that the meeting be adjourned at 6:03 pm.

Carried

Corie Phillips, Recorder

Brent Hesje, Chair