



NORTHERN ALBERTA INSTITUTE OF TECHNOLOGY

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

Monday, October 6, 2014
4:00 to 6:32 pm
O102P Governors Boardroom

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

1. Call to Order

The meeting was called to order at 4:02 pm.

Brent provided a warm welcome and introduction to the new student members; namely, Hasib Baig Bachelor of Business Administration – Accounting student; and Allannah Wrobel, Bachelor of Business Administration – General Management student. Brent then invited all members to provide roundtable introductions.

- a) Approval of Agenda

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

Carried

- b) Approval of Minutes of May 14, 2014

Moved by Kevin Nabholz that the minutes of May 14, 2014 be accepted as presented.

Carried

- c) Approval of Minutes of May 25, 2014

Moved by Mark Ohe that the minutes of May 25, 2014 be accepted as presented.

Carried

- d) Approval of Minutes of June 3, 2014

Moved by Ray Pisani that the minutes of June 3, 2014 be accepted as presented.

Carried

e) Business Arising from Minutes

Glenn summarized the action taken since the last meeting for the business arising from the May 14, 2014 minutes.

ACTION: A further request was made to provide the achieved percentage of the target for the Centre for Applied Technologies on an ongoing basis included in George's report.

This information is included in, and will continue to be included in, George's report.

ACTION: A risk report naming the top five risks of the institution was requested to be included in future Board packages. It was recommended to engage the ERM to aid in compiling a broader institutional risk profile.

We are working with those leading Enterprise Risk Management to ensure alignment of the top five risks with NAIT 2021; this is currently in draft form and will be presented to the Finance and Audit Committee and then to the Board.

ACTION: Additional documentation will be provided to show how the new system (related to tuition) will work and the economic impact of the changes within two weeks.

Subsequent to the meeting, an email was distributed with the requested information to Board members on June 5, 2014.

2. NAIT Executive Reports

a) Office of the President and CEO

Dr. Glenn Feltham advised that there are two areas of strategic importance to be discussed at the Board meeting: the top five priorities for 2014/15, and the Centre for Productivity Enhancement.

Glenn provided an overview of his report as follows:

- Summary of activities in Appendix A-1 reflects a strong focus on external.
- Glenn acknowledged the continuous work and diligence of the Executive, President's Council, Academic Council, and the broader leadership of NAIT.
- Glenn focused on six areas since the last meeting:
 - Advocacy
 - Continues to be the central focus at the municipal, provincial, and federal level.
 - Time of political change in Alberta with a new Premier, new Minister, new Deputy Minister, and an Acting Deputy Minister in Innovation and Advanced Education. Strong relationships across ministries has left NAIT in good shape and Glenn believes we have strong support and understanding across ministries about the importance of NAIT.
 - Capacity
 - NAIT signed an MOU with the City of Edmonton that defines the Blatchford lands that NAIT will acquire; this is a major milestone.
 - CAT is progressing well and is on track to be completed on time and on budget.
 - Financial Sustainability

- Finished the year with an operating surplus; the amount of the surplus is distorted due to a one-time gain related to a change in investment managers.
- Continued focus on long-term sustainability, but particularly on how we will need to fund growth.
- Pathways
 - Continued focus on expanding pathways.
 - Working with several partners on the NAIT Collegiate; a proposal was submitted to the Ministry of Education. Partners include both Edmonton Catholic School District and the Edmonton Public School Board.
- People
 - Very pleased to have completed agreements with our academic staff (NASA), non-academic unionized staff (AUPE), and Management and Excluded (MAE) staff in May and June.
 - There will be a language reopener on non-financial issues starting in January with NASA.
 - Results from the Employee Engagement Survey were consistent year over year with the average score being identical. The level of engagement remains very high by public-sector and post-secondary standards.

Glenn proceeded to review Items of Interest:

- Preventable Campaign is a part of NAIT's commitment to health and safety, an eight-week safety campaign called Preventable and in partnership with the Government of Alberta, the Alberta Centre for Injury Control and Research (ACICR) and the Community Against Preventable Injuries.
- NAIT held a family picnic at Fort Edmonton Park with 1500 staff with their families in attendance.
- Opportunities to discuss the role of polytechnic education – firstly, at the Skills for the Future Symposium in Charlottetown with Canada's provincial Education and Labour Market Ministers. Secondly, at Minister Kenney's 2014 Skills Summit on Canada's labour market and training system, focusing on the role of polytechnics, meeting labour market needs, and what we are doing at NAIT to meet the emerging needs of Alberta for polytechnic education. Minister Kenney and Minister McIver will be at NAIT on October 9, 2014 to host an announcement.
- NAIT was just awarded the 2014 Workplace Wellness Award by the Alberta Division of the Canadian Mental Health Association in recognition of strong initiatives recently been undertaken aimed at the mental health and wellbeing of our students. In recent months, more than 30 staff members have taken the 14-hour Mental Health First Aid course.

Glenn advised that the risk profile is reasonably stable. Overall, our risk profile is strong, with the exception of two significant changes: positively, agreements with our staff have decreased risk, providing an increased level of stability; negatively, enrolment risk has increased.

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

b) Provost and VP Academic

Dr. Neil Fassina focused his overview on his recent conclusions after travelling to Europe:

- Attended the first International Conference on Vocational and Professional Education and Training and the WorldSkills Leaders Forum in Switzerland.
- Germany has a dual education system that is closely connected to industry where apprenticeship is defined differently than North America. Students spend about a third of their time learning through work, not in a co-op or internship program, but in a system which individual companies take ownership of learning outcomes and invest in students as future employees, who then stay with the companies for most of their career.
- Their system is rooted in history: employees stay with the company that invests in them; companies invest in employees that will stay.
- Learned that apprentices are defined very different than in Canada. There are over 260 apprentice pathways, such as bankers and sales representatives, taking on a dual-education approach.
- Dual academic environment attributed to low youth unemployment. The youth unemployment rate in Germany is under 4%.
- Neil concluded that the common goal is to have skills professions viewed as a valuable and rewarding path that is desirable for many students.

c) VP Administration and CFO

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

- The 2013/14 financial statements are finalized and the external audit has been completed. NAIT ended 2013/14 with an operating surplus of \$40.39M. This is a result of \$43.7M in investment income, an increase of \$33.8M from the previous year. The gain was largely due to a change in investment managers which triggered a sizable one-time increase in investment income.
- Ross Wilson, Internal Audit, reported on the results of the audit of Capital Projects, Cash Office, provided the updated management responses to the Ethical Governance Audit, and presented the Annual Audit Plan for fiscal 2014/15 at the recent Finance and Audit Committee meeting.
- Ray extended kudos to Heather Murray for all of the work on Canada's Anti-Spam Legislation (CASL).
- Meetings continue with the City of Edmonton regarding the Blatchford lands by all members of the Executive Committee.
- Main Campus Restack Planning – consultants are currently in the process of developing options for NAIT's consideration and a consultation process is planned for fall 2014 to inform staff of the options for restack.
- Campus Development Plan update to the 2012 plan which will take into account the revised Blatchford Development plan, input from the Main Campus Restack Planning and other initiatives to provide a more current picture of future development.
- Planning has commenced for negotiations for the NASA collective agreement for the language reopener starting in January 2015.

- Experienced a reduced frequency of injuries at work in the 2013/14 fiscal year over the same period in 2012/13 for both staff and students
- The external digital signs have been replaced at Main and Souch.
- The T2 (parking system) was fully implemented on August 28th that enables students to select parking and make payments online which has substantially reduced parking lineups.

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.

d) VP External Relations and CDO

George Andrews provided an overview of his report as follows:

- To date, the Essential campaign has raised just over \$50M in a \$100M capital campaign; just under \$4M directed to the CAT project; the rest donated to student awards, etc.
- CIT continues to improve its business efficiency as well as seeking out business opportunities which allow for higher returns on the utilization of NAIT resources.
- The Department of Corporate, International and Continuing Education (DCICE) has been established as a business unit that delivers quality non-credit education to NAIT students and contributes financially back to NAIT.
- Brand commercials aired on CBC during the FIFA championships and the winter Olympics that reinforced our “Essential” messaging. NAIT’s profile within the FIFA world cup was impressive with over 2.3 million impressions of the NAIT brand.

e) Chief Strategy Officer

Lara McClelland provided an overview of her report as follows:

- Collegiate for Science, Technology and the Trades received strong support from government. Edmonton Public Schools has now been engaged in the design and planning, as access to all students is important and multi-partner partnerships have greater likelihood for success in the Capital Plan.
- The Mental Health Awareness Committee has made a profound impact on mental wellbeing and will continue to do so. By December 2014, over 300 people will be trained in Mental Health First Aid. The initiatives assist to build a culture of compassion and a continued awareness of mental health. Various initiatives around NAIT in support of Mental Health include the High Five campaign and NAITSA’s stress-free zones and Wellness Wednesday’s.
- Strategic Plan focus has been tightened alignment to NAIT 2021, including greater emphasis on growth, and line of sight with the Academic Plan. The outcomes and strategies for each of NAIT’s four promises have been identified based on NAIT 2021, extensive engagement sessions in Spring 2014, the Board of Governors retreat, and executive committee decisions. It is anticipated that a draft will be brought forward for review in December 2014.
- The 2013/14 Annual Report development is underway with an overriding theme of ‘adapting to change.’ The report will continue to tighten its alignment to NAIT 2021 and the four promises, while also providing more detailed descriptions of results and a

rationale for metrics that exceeded or missed their respective targets. The report will be tabled at the November Finance and Audit Committee meeting and pending approval, submitted to the Board of Governors in December 2014.

- Program Demand Modeling – for the past three months NAIT has been mapping each of its programs to occupational categories (NOC – National Occupational Classification). This will support NAIT's strategic business intelligence through matching NOCs to Alberta's long-term demand and supply outlook model. NAIT is working closely with Statistics Canada and is hoping by Christmas to have every one of NAIT's programs linked to the NOC code.

3. Committee Reports

3.1 Academic Council (Glenn Feltham)

The committee met on September 30, 2014, and therefore the minutes will be included in the December Board package.

3.2 Campus Development Committee (Kevin Nabholz)

a) Minutes of September 22, 2014

Kevin provided an overview of the minutes as follows:

- Work on the CAT project continues and remains under budget. The goal for the project is to have the building occupied by mid-August 2016 to provide delivery of programs for the fall 2016 academic term. The schedule remains a high risk due to the two month late start in 2013 while awaiting provincial approvals, but are making good progress to finish on time.
 - Trades procurement is approximately 82% with the procurement for program equipment and furnishings expected to begin in 2015.
 - Interior partition framing and drywall has proceeded rapidly ahead of other trades and is tracking 4 – 6 weeks ahead of schedule at this time.
 - Mechanical and electrical experienced a slow start, particularly electrical, but they expect to be back on schedule by the end of December 2014.
 - 32 trades and 210 tradespersons on site.
 - 200,000 hours accident free.
- The Student Housing plan has been put on hold as NAIT was recently informed that the 2013 plan provided by the City of Edmonton was a concept plan and land configuration was subject to change.
- Renovations of the Princess Elizabeth Building are underway and occupancy is expected mid to late October. The plan is to relocate Marketing and Communications, Food Services Administration, and Health and Safety Services to the building.
- Renovations are currently underway on the Government of Alberta hangar to accommodate the expansion of the Heavy Equipment Technician Program. It is expected that the building will be ready for occupancy in early Summer 2015.
- The lease for the Parkwest Building, located north of Patricia Campus, has been concluded. The building will be used to expand the pipe trade

program; first year electrician relocated from main campus; and additional office space currently leased in other buildings to enable cost offsets. GOA has encouraged and supports this initiative.

Moved by Kevin Nabholz that the Campus Development Committee meeting minutes of September 22, 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 addition of the following to NAIT's naming grids:

NAIT – Main Campus

GIFT LEVEL	NAMING OPPORTUNITY
\$100,000	RH106 (previously RH104) – value increase due to change in room use. RH is the Insulator program building.
\$50,000	RH108 – Student Lounge

NAIT – Centre for Applied Technologies

GIFT LEVEL	NAMING OPPORTUNITY
\$25,000	3X5B – Student Commons
\$25,000	3X5C – Student Commons
\$25,000	332A – Detailing Workshop

Carried

Moved by Kevin Nabholz that the Board of Governors approve the addition of the following to NAIT's naming grids:

NAIT Cenovous Centre for Power Engineering Technology (C)

- Laboratory (C108; 10 year term) ConocoPhillips Canada (\$550,000 cash, Water Training Control Room and \$550,000 cash, ConocoPhillips Canada – Surmont Boreal Project for NAIT Boreal Reclamation program)

NAIT Medical Wing (F)

- Lab F207 had been revalued in 2011, since then there have been no proposals for naming. Upon review of the space, it is proposed to decrease the value and remove some of the previous naming opportunities.
- F207 Dental Assisting (North Entrance) – decrease value to \$100,000 due to two naming opportunities
- F207 Denturist (South Entrance) – decrease value to \$100,000 due to two naming opportunities

- F207 Dental Assisting (inside naming) – remove from Naming Grid due to poor exposure
- F207 Dental Assisting (inside naming) – remove from Naming Grid due to poor exposure

Carried

3.3 Executive Committee (Brent Hesje)

- a) Minutes of May 21, 2014
Brent advised that the majority of the Executive Committee meetings consist of an in-camera session to review the effectiveness Board meeting prior to ensure continuous improvement.

Moved by Brent Hesje that the Executive Committee meeting minutes of May 21, 2014 be accepted as information.

Carried

3.4 External Relations Committee (Larry Spagnolo)

- a) Minutes of September 24, 2014
Larry provided an overview of the minutes:
- NAIT's profile within the FIFA world cup was impressive with over 2.3M impressions of the NAIT brand.
 - Focus for advocacy is building relationships with the new provincial government.
 - Session starts November 17th with the Speech from the Throne.
 - The Executive team and the Board continue to advocate on behalf of NAIT at all levels of government (federal, provincial, and municipal).
 - Ongoing work and meetings with the City of Edmonton on the Blatchford lands.
 - A Political Action Day is scheduled for October 17th at NAIT which will involve MPs, MLAs, Chiefs of First Nations, Chairs of Metis Settlements, Mayors, Reeves, and School Board Trustees to experience Canada's essential polytechnic. Larry encouraged Board members to attend also.
 - The opportunity to contact Alumni to carry the NAIT message across stakeholder groups is being reviewed.

Moved by Larry Spagnolo that the External Relations Committee meeting minutes of September 24, 2014 be accepted as information.

Carried

3.5 Finance & Audit Committee (Mark Ohe)

- a) Minutes of May 14, 2014

Brent extended his extreme appreciation for all of Kerry Brown's dedication and contributions to the Board, not only to the Finance and Audit Committee, but to the Board overall. Kerry will be formally recognized at the Board Festive Dinner in December.

Mark Ohe provided an update of the minutes on behalf of Kerry Brown stating that at the May 14th meeting, the Investment Advisory Subcommittee

membership was approved. The membership includes Kerry Brown (Chair), Hasib Baig, Ray Block, Jeff Dumont, Ray Gilmour, Virenda Gupta, Mark Norton, and Michael Trattner. Brent Hesje and Glenn Feltham will be ex-officio members.

Moved by Mark Ohe that the Finance and Audit Committee meeting minutes of May 14, 2014 be accepted as information.

Carried

b) Minutes of September 15, 2014

Moved by Mark Ohe that the Finance and Audit Committee meeting minutes of September 15, 2014 be accepted as information.

Carried

c) NAIT's Audited Consolidated Financial Statements for the Fiscal Year Ended June 30, 2014

- o Tim Lamb, Principal, and Nancy Wang, In-Charge from the Office of the Auditor General presented the NAIT and NAIT Foundation Audit results for the year ended June 30, 2014. The Auditor General will be issuing an unqualified audit opinion on the consolidated financial statements and it was noted that there were no unadjusted differences. The management letter contains no new recommendations and the one outstanding recommendation from 2008 has now been implemented. The Office of the Auditor General was complimentary for the smooth Audit this past year.
- o The financial statements represent the consolidated financial position and results of operations of the Northern Alberta Institute of Technology and the NAIT Foundation for the year ended June 30, 2014. Members were further directed to the Management Analysis that provides a review of NAIT's financial position which is currently healthy.
- o NAIT ended the 2014 fiscal year with assets of \$780.8M and an accumulated surplus of \$228.178M. The accumulated operating surplus amount contains \$94.4M related to amounts invested in capital assets. Of the remaining \$133.778M of accumulated operating surplus of \$63.0M is targeted for NAIT's contribution to the building of the new Centre for Applied Technologies project, \$7.56M is targeted to other priority capital areas, and \$32.761M targeted to priority operational activities.

Ray advised members that through the diligent work of Jeff Dumont and the Hyperion Installation team, the ability to refine the budget forecasting will be greatly enhanced.

Moved by Mark Ohe that the Board of Governors approve NAIT's audited consolidated financial statements for the fiscal year ended June 30, 2014.

Carried

- d) Investment Report for Year Ended June 30, 2014
Mark noted that the portfolio investments and cash and cash equivalents for the fiscal year ended totaled \$469M and that the accounting rate of return on the Investment Portfolio for the twelve months ended June 30, 2014 was 18.98%. Of this amount, 15.02% was due to gains from a change in investment managers that triggered capital gains that were reported as unrecognized in prior years.

Moved by Mark Ohe that the Board of Governors accept the June 30, 2014 Investment Report as information.

Carried

3.6 Foundation Trustees (Mark Ohe)

- a) Minutes of September 15, 2014

Moved by Mark Ohe that the Foundation Trustees meeting minutes of September 15, 2014 be accepted as information.

Carried

- b) NAIT Foundation Financial Statements for the Fiscal Year Ended June 30, 2014
Mark noted that this past year an operating surplus of \$133,319 was generated and transferred to NAIT.

Moved by Mark Ohe that the Board of Governors accept the NAIT Foundation Financial Statements for the Fiscal Year Ended June 30, 2014 as information.

Carried

3.7 Governance Committee (Randy McLeod)

- a) Minutes of August 12, 2014

Randy provided an overview of the public member application process focusing on the criteria used to filter candidates into A, B, and C categories. A meeting is held with the President and Board Chair to express support for the candidate recommended by the committee – in this case, it was Valerie Berger's name presented as being recommended to the Government of Alberta for approval. NAIT was successful in filling Kerry Brown's vacancy with Valerie Berger as of September 24, 2014 to the NAIT Board. Valerie is a NAIT Alumni and is thrilled with her appointment.

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

Carried

- b) Board Committee Appointments

Moved by Randy McLeod that Hasib Baig be appointed to Academic Council and External Relations; Allannah Wrobel be appointed to Academic Council.

Carried

3.8 Human Resources Committee (Diane Brickner)

The committee has not met.

4. Presentation and Discussion

4.1 Key Priorities for Upcoming Year (Glenn Feltham)

Glenn spoke of the Executive Committee retreat held on August 18th and 19th in Leduc. Central to the two-day retreat was setting priorities for 2014/15 in the context of achieving NAIT 2021 – what we focus on this year to advance us toward our vision. In setting these priorities, an important factor was the guidance provided by the Board of Governors over the past year, including at the Board retreat. Glenn wanted members to know that the listing is not comprehensive of our priorities and objectives – rather, it reflects that areas we believe require the greatest movement in the year to advance the institution toward NAIT 2021.

Glenn reviewed the five priorities:

- Alignment with NAIT 2021 – ensure it drives and informs all we do
- Growth – we need to focus on how NAIT will grow to meet the emerging needs of Alberta.
- Physical Capacity – for NAIT to grow and to meet its promises, it is critical that it develop physical capacity.
- People – we need to focus on people including support structures and human resources.
- Pathways – critical to achieving our goals are the development of meaningful pathways. We want to move forward in the development of pathways into NAIT, within NAIT, from NAIT, and lifelong education.

Comments were shared roundtable by members.

4.2 Centre for Productivity Enhancement

Glenn prefaced the presentation by stating that industry is a partner in all NAIT's activities. The NAIT Shell Manufacturing Centre was created in 2006 to elevate productivity in Alberta. Its focus is on assisting industry to become more productive through process innovation and advanced technologies, as well as through manufacturing solutions. As NAIT considers development onto the Blatchford lands, we need to consider how to expand not just our programs, but also our role with industry both in productivity enhancement and in applied research. We need to consider the development of a far larger Centre able to meet the emerging needs of Alberta. The Centre has been an incredible success with a focus on: (1) productivity; (2) technology adoption; and (3) applied research.

George started off his presentation by acknowledging an error in the title of the paper on Page 169 naming the “Material Management Program” in error. The program title should read “Materials Engineering Technology.”

George then provided a presentation on the Productivity Improvement Centre focusing on the integration of what people do in the workplace into the classroom. George advised that the importance of such an initiative is highlighted in the mandate statements from both the Ministry of Jobs, Skills, Training and Labour and from the Ministry of Innovation and Advanced Education.

5. Correspondence

Provided for information only.

6. Board Member Contact List

Revision to reflect Chris Monilaws as Brent Hesje's EA and the addition of contact information for Valerie Berger.

7. Next Board Meeting

The next meeting will be held Monday, December 8, 2014 followed by the Board Festive Dinner.

8. Adjournment

Moved by Allan Mah that the meeting be adjourned at 6:32 pm.

Carried

Corie Phillips, Recorder

Brent Hesje, Chair