



## NORTHERN ALBERTA INSTITUTE OF TECHNOLOGY

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

Monday, December 2, 2013  
4:00 to 6:00 pm  
O102P Governors Boardroom

<b>Members Present:</b>	Brent Hesje (Chair) Jonathan Bilodeau Syed Haq Allan Mah  Justin Nand Larry Spagnolo	Dr. Glenn Feltham Andy Clark Diane Brickner Keith Meagher  Mark Ohe	Jeff Bailey Darcy Corcoran Daryl Kruper Kevin Nabholz (teleconference) Ray Pisani Randy McLeod (teleconference)
<b>Recorder:</b>	Corie Phillips		
<b>Others Present:</b>	Dr. Ray Block Thomas Djurfors	George Andrews Terry Sulyma	Lara McClelland
<b>Regrets:</b>	Kerry Brown		

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## 1. Call to Order

Introductions were conducted roundtable.

The meeting was called to order at 4:05 pm.

### a) Approval of Agenda

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

***Carried***

### b) Approval of Minutes of October 7, 2013

Edit on page 5, 2(e) "NAIT's senior leadership...programs into three categories"

***Moved by Jonathan Bilodeau that the minutes of October 7, 2013 be accepted as revised.***

***Carried***

### c) Business Arising from Minutes

Glenn provided an update on the safety data request that arose from the October 7, 2013 meeting. In Tab 9, under OH&S includes relevant safety data. NAIT is continuing to focus on a culture of safety at NAIT and will report back on progress.

## 2. NAIT Executive Reports

### a) Office of the President and CEO

Dr. Glenn Feltham provided an overview of his report as follows:

- A significant external focus as seen in Appendix A of President's Activities.

- Continues to be a time of great change at NAIT, but also of opportunity. Acknowledging the work of President's Council, Academic Council, and the broader leadership of NAIT.
- Strategic activities focused on four areas:
  - Capacity (CAT and the Airport Lands)
    - Continued focus on securing NAIT's long-term future & enabling growth.
    - CAT is progressing well.
    - Significant attention on airport lands, transformative for NAIT, providing future growth and consolidation onto a single campus.
    - Municipal airport is now closed, NAIT is actively engaged and believes there is broad-based support.
  - Financial Sustainability
    - Provincial Government re-invested \$50M into post-secondary and NAIT received \$3.7M providing additional flexibility, although NAIT continues to have a structural deficit.
  - Redefining Postsecondary in Alberta
    - Foundations of postsecondary are being challenged overall, which is positive as the system continues to evolve through discussions relating to Campus Alberta, funding model, tuition structures, and measures of success.
    - Involved in other collaborative initiatives working with Northern institutions to enhance learner pathways.
  - Advocacy
    - Spending more time focusing on advocacy.
- Items of Interest were listed in report and not reviewed in detail.
- Risk profile has shifted little since the last meeting and overall the risk profile remains strong. The greatest short-term risk relates to labour negotiations – arbitration with the NAIT Staff Association (NASA) occurs today (December 2).

#### b) Provost and VP Academic

Dr. Glenn Feltham provided an overview of Dr. Neil's Fassina's report on his behalf as Neil is representing NAIT in the arbitration meeting with NASA, items highlighted were as follows:

- Leadership Development – trying to build strength of leadership across NAIT. Initiated a series of full-day leadership development sessions for Chairs, Associate Chairs, Directors, and Associate Directors.
- Campus Alberta Review – assessment of NAIT by Campus Alberta Quality Council (CAQC) occurred in late October with the purpose to evaluate NAIT's degree programs.
- Research
  - Successfully hired a AVP of Research and Innovation, Chris Dambrowitz who will start in the new year.
  - NAIT finished second among polytechnics and colleges for new research funding behind SAIT.

A discussion followed with inquiries relating to staff competitiveness listed as a high risk and related appropriate salary compensations, and inquiries as to the status of the Centre for Entrepreneurship presentation previously given by Dr. Fassina.

c) VP Administration and CFO

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

- As of September 30, 2013 quarter end results based on revenue of \$305.3M; expenses of \$317.2M; excess of expense over revenue of \$11.9M based. Actual results for the quarter ended compared to the budget reflect a deficit a \$1.9M presented in the quarterly report. The \$3.7M Campus Alberta grant received is not calculated in the quarter report.
- November 13, 2013 NAIT received \$10M as a part of the \$200M of Provincial Government funding for CAT funding.
- Request sent to Enterprise and Advanced Education Ministry for an Order in Council approval for NAIT to borrow \$150M.
- City Centre Airport officially closed on November 30, 2013. The city has acquired all of the interests in the airport land except for the Armoury and Provincial hangar. NAIT is continuing to work with the city to determine NAIT's options as they apply to long-term leases including the soccer field, encroachment of the gym, and the Z parking lot.
- Centre for Applied Technologies (CAT)
  - Largest project NAIT has ever undertaken.
  - Excavation is substantially complete, K building demolition site has been fully backfilled using fill from the CAT excavation and fill from CAT has been stockpiled on the K site for backfilling the CAT foundation walls. The K building excavation provided substantial cost and work efficiencies.
  - 65% of the piles are complete, removing piling installation from the critical path and reducing the number of rigs on site from two to one.
  - Three basement walls have been poured.
  - Forming is underway for main floor slab in Quadrant 1 with pouring of the floor slab expected to start the week of December 2<sup>nd</sup>.
  - All academic program areas have been reviewed and signed off by the programs except for two which are staff workstation layouts, main floor student services area layout, main floor food services details, and the second floor common details.
  - 100% complete design drawings scheduled for end of January 2014.
  - Trades prices confirmed to date are 24% of total trades cost in the budget and the confirmed prices are \$2.5M/1.5% below the budgeted amounts.
  - The procurement for the mechanical, electrical and curtain wall trades are scheduled to close before Christmas with award scheduled for early January.
- Student Housing – planning continues, internal steering committee assembled chaired by John Engleder and Kathryn Howden as Vice Chair. The draft report will be presented to CDC on January 16, 2014.
- The tender for the new flags has been issued and the timing of the work will be dependent on weather.

- Boreal Research Facility in Peace River – construction of the new facility is completed and the occupancy permit has been received and staff has moved into the facility.
- St. Albert Building – NAIT Board has approved the sale of the building subject to an Order in Council approving the sale with expected active marketing to occur in 2014.
- Director of NAIT Facilities has been recruited with an anticipated start date of January 2<sup>nd</sup>. The successful candidate has a Mechanical engineering degree and an MSc in project management and currently holds a similar position at a major university in Canada.
- OHS completed a draft gap analysis with a final report pending.
  - OHS participating in a project with the Alberta Centre for Injury Control and Research and a highlight pertaining to WCB related to NAIT performance vs. Industry performance that revealed that NAIT is performing better than our industry subclass in the areas of cost per lost time claim attributable in part to Disability Management programs within NAIT, maintaining costs 42% lower.
- Collective Bargaining – mediation and arbitration currently occurring on December 2, 2013 with Andy Simms acting as the mediator. NAIT and AUPE have commenced bargaining to replace the agreement which ended June 30, 2013 with three days of bargaining being held to date.
- Currently assessing the impact of Bill 45 and 46.
- Terry Wald, Executive Director Human Resources retirement tea held on Monday, December 16<sup>th</sup> at 2:30 pm in O102P. Governors Boardroom and all Board members are welcome. The recruitment for the position has commenced with the assistance of an external search firm, the short-listing of eligible candidates has been completed and interviews will commence next week with the expected process to be completed by the end of December.
- Information and Technology Services
  - Office 365 – a number of ITS mailboxes have been successfully moved to Office 365 providing a significant cost reduction along with a large increase in service. The average mailbox size today is 300MB and the Office 365 will be 25GB. All email migrations are expected by March 30, 2014.
  - LRT Structured Cable – progress since September includes the development of an MOU between University of Alberta, Cybera and the participating institutes describing use of a U of A fiber from Enterprise Square to the General Services building on North Campus. This structured cable between institutes allows for further meaningful conversation about other share services.
  - Student Administration (Campus Solutions) Upgrade Version 9.0 – PeopleSoft Campus Solutions upgrade will include new delivered functionality that has been identified in the New Academic Model project as lacking in its current version. Working towards a tentative implementation date between November 2014 and February 2015 depending on the availability of staff resources.

d) VP External Relations and CDO

George Andrews provided an overview of his report as follows:

- \$3.8M raised for fundraising efforts this fiscal year.
- Risks
  - Currently in the quiet phase of the Essential Campaign with stewardship initiatives underway and will inform the updated campaign plan.
  - Experienced donor fatigue with large organizations.

Kudos was extended to George and his team, by the Board, for the Sureway Construction announcement in the paper.

e) Chief Strategy Officer

Lara McClelland provided an overview of her report as follows:

- The Annual Report is complete and has: a tighter connection to NAIT 2021; alignment of metrics to each of NAIT's promises; a tribute from our past Board Chair, James Cumming; 34 performance measures; and a section dedicated to staff.
- Collegiate for Science, Technology and the Trades – NAIT and Edmonton Catholic Schools (ECS) have partnered in the development of a business case for establishing a grades 9 through 12 high school (the Collegiate) that would be a seamless pathway into NAIT and other strong post-secondary institutions. The Steering Committee co-chaired by Lara and Dr. Robert Ritter, ECS, kicked off on November 4, 2013 with a business case completed by mid-December 2013 for ultimate submission by NAIT's Board Chair and ECS's Board Trustee to the Minister of Education.
- NAIT's Tuition – an internal Tuition Working Team reports to the Financial Sustainability Task Force. The team developed a principles-based approach to a sustainable tuition model that will be premised on a student's ability to incur and pay off debt at the end of their program. NAIT is the only post-secondary institution in the province that has engaged the students association, specifically NAITSA in the tuition working group which has added strength.
- NAIT is participating as a partner in ACICR (Alberta Centre for Injury Control and Research) in the design, roll-out and evaluation of the *Preventable* campaign on its campus. The small working team established on campus would determine where marketing material should be posted, what materials are identified as relevant to NAIT's community and when the campaign would be implemented. Conversations have suggested a January start to coincide with the next cohort of apprentices.

Kudos was extended to Lara and her team for the strategic direction and renewed focus of the Annual Report. Further kudos was extended to the executive team for their strategic initiatives in their reports.

### 3. Committee Reports

#### 3.1 Academic Council (Glenn Feltham)

a) Minutes of November 12, 2013

Glenn provided an overview of the minutes which focused on a presentation by Anna Foshay, Registrar on the admission process, application pressures, and trends. Glenn suggested that the same presentation be provided to the Board at an upcoming meeting.

***Moved by Dr. Glenn Feltham that the Academic Council meeting minutes of November 12, 2013 be accepted as information.***

***Carried***

#### 3.2 Campus Development Committee (Kevin Nabholz)

The Committee has not met.

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

#### **a) Minutes of October 15, 2013**

Brent provided an overview of the business undertaken since his term as Chair began. Brent expressed his appreciation for members' willingness to participate on committees. Brent also noted that he had communicated with various Ministers' and others within the Provincial Government.

***Moved by Brent Hesje that the Executive Committee meeting minutes of October 15, 2013 be accepted as information.***

***Carried***

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

#### **a) Minutes of November 18, 2013**

Larry Spagnolo provided an overview of the minutes:

- November 30<sup>th</sup> marked the closure of the City Centre airport. Recent meetings have been held between NAIT and the government to advance the airport discussions.
- CAT Campaign Cabinet – focus is to build a strong cabinet team with representation from various sectors which represent NAIT's strategic pillars. Strategic conversations will take place with the advisory subcommittees of advocacy, brand, and fundraising to ensure messaging is streamlined, Larry also suggested this as a topic for the spring Board Strategic Session.
- Larry was in Ottawa for a small-business technology conference where he continued to stress the importance of NAIT in technology.
- Larry was also in attendance at the Polytechnics Canada Student Showcase in mid November. Larry extended his acknowledgment of the hard work the NAIT student put forth.
- Advisory subcommittees looking to add more membership.
- AGM on November 22 – 24, 2013 passed a resolution on post-secondary education which asks government to look at the total cost of education and the balance of taxpayer and learner contribution.

***Moved by Larry Spagnolo that the minutes of the External Relations Committee of November 18, 2013 be accepted as information.***

***Carried***

### **3.5 Finance & Audit Committee (Brent Hesje)**

#### **a) Minutes of November 20, 2013**

Brent Hesje gave an overview of the meeting on behalf of Kerry Brown as follows:

- Internal Tuition Working Team's vision is to develop a principles-based, evidence-informed tuition for all credit programming with a key principle being the student's ability to pay off any debt accumulated while attending post-secondary education at NAIT. In keeping with NAIT's Comprehensive Institutional Plan (CIP) and the F&A Committee has supported the team to:
  - Proceed with a differential tuition model at NAIT.
  - Proceed with the development of a cost model for the tuition differential and explore options to increase revenue from tuition over and above CPI for 2014/15
  - Proceed with a tuition model that will eventually remove the programmatic caps and ensure a more fair and transparent per credit model.
- Annual Report is truly heartwarming to see all the exciting activities that have taken place at NAIT over the past year.

Kudos was extended to Dr. Ray Block and his team for a continued surplus and active management on budgets.

- Internal Audit new to NAIT, Ross Wilson provided best practices for the IA function. – moved report be accepted as information.

***Moved by Brent Hesje that the minutes of the Finance and Audit Committee meeting of November 20, 2013 be accepted as information.***

***Carried***

#### b) Annual Report and Presentation

Glenn Feltham provided kudos to Lara and the team for their work on the Annual Report. Glenn provided highlights of the Annual Report as follows:

- The metrics identified in the 2012/13-2014/15 CIP have been retained in the Annual Report, they are now aligned under objectives within each of the four promises.
- The 2012/13 fiscal year ended with a surplus largely due to higher than expected returns on investments, an increased number of international students, and additional one-time operating grants from the Government of Alberta.
- Of 34 key performance metrics, 29 increased or remained constant.
  - Those that improved include employment rates of NAIT full-time program graduates, ratio of applications over quota, participation and volume of applied research activities.
- NAIT's planning and reporting materials are developing a tighter connection and alignment to NAIT 2021 and the relevant metrics that demonstrate progress and achievement towards our four promises.
- Pictures and layout align with our "We are Essential" brand and campaign. In the future, the annual report will be available via hyperlinks and videos.
- Many of NAIT's targets are historic and have not changed in the past five years. This is a focus for 2013/14 on critically evaluating and making improvement to metrics and targets.
- NAIT's Annual Report once again demonstrates its commitment to becoming a "world leading polytechnic", as our results for students satisfaction, employer satisfaction, employment rates and even revenue generation remain at exceptionally high levels.

Kudos was provided by the Board to Glenn and his team for achieving goals that are world class. Additional kudos was provided on the employee engagement stats exceeding stats published for industry. The Board expressed its interest in seeing more information about safety and the Encana Aboriginal Centre in the next report.

***Moved by Glenn Feltham that the Board of Governors approve NAIT's Annual Report for the fiscal year ended June 30, 2013 with such non-substantive changes that management of NAIT considers necessary or advisable.***

***Carried***

c) Terms of Reference

Brent provided an overview advising that the addition of the Internal Audit Function of NAIT has necessitated an update to the Terms of Reference. Further changes were requested upon review by the committee at the November 20, 2013 meeting. The further changes reflect the delegated responsibilities that have occurred over time for enterprise risk management, information technology, investment policies, legislative compliance and the review of the impact of various capital projects on the institute's operation budget.

***Moved by Allan Mah that the Board of Governors approve the Finance and Audit Committee Terms of Reference.***

***Carried***

d) NAIT Investment Report

Brent advised that the accounting rate of return for three months ended September 30, 2013 was 1.23%.

***Moved by Brent Hesje that the investment report quarter ended September 30, 2013 be accepted as information.***

***Carried***

e) NAIT Financial Report

Brent advised that the total revenue for the quarter ended September 30, 2013 totaled \$74.7M and actual expenditures were \$76.6M resulting in an excess of expenditure over revenue of \$1.9M.

***Moved by Brent Hesje that the financial report quarter ended September 30, 2013 be accepted as information.***

***Carried***

f) Compliance Certificate

Brent advised that the administration of NAIT is responsible for the preparation, accuracy, objectivity and integrity of the consolidated financial statements, performance results and supporting management information systems. Based on review of best practices with other organizations Administration has prepared the compliance certificate and it has been duly signed.

***Moved by Brent Hesje that the Compliance Certificate for the period July 1, 2013 to September 30, 2013 be received as information.***

***Carried***

g) Internal Audit



Brent summarized the role of Ross Wilson, Manager Internal Audit who provided an overview of best practices for the Internal Audit function. In order to establish an effective environment for Internal Audit, it is critical to establish the authority of the division. Internal Audit is assisting NAIT in achieving its vision by bringing a systematic and disciplined approach to the evaluation of the design, operating effectiveness and efficiency of NAIT's risk management, internal controls and governance processes.

***Moved by Brent Hesje that the Internal Audit report be accepted as information.***

***Carried***

### **3.6 Foundation Trustees (Brent Hesje)**

- a) Minutes of November 20, 2013  
Brent advised that the Foundation Trustees approved the NAIT Foundation applying for a casino license with Administration having the responsibility for preparing the application forms in accordance with the regulations of the Alberta Gaming and Liquor Commission.

***Moved by Brent Hesje that the minutes of the NAIT Foundation meeting of November 20, 2013 be accepted as information.***

***Carried***

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

- a) Minutes of November 28, 2013

Randy provided an overview of the minutes including the two policies brought forward for approval and the committee appointments for 2013/14. Randy advised that the action item from the meeting was in relation to the request for an orientation for new members for the Finance and Audit Committee which Ray advised would be ready in January.

The minutes were revised to include the appointment of Mark Ohe in addition to Campus Development Committee to the Finance and Audit Committee; Jonathan Bilodeau to Academic Council and External Relations Committee; and Justin Nand to Academic Council.

***Moved by Randy McLeod that the Governance Committee meeting minutes of November 28, 2013 be accepted as information as revised.***

***Carried***

- b) Board Committee Appointments

Randy provided an overview of the in-depth process undertaken by Brent Hesje, Glenn, and himself to ensure the committee membership adhered to the terms of references as set out for each committee, ensuring adequate needs were met on all committees.

***Moved by Randy McLeod that the Board of Governors approve the following committee appointments:***

- ***Diane Brickner appointed as Chair of Human Resources Committee, no longer on Academic Council;***

- **Keith Meagher appointed to Finance and Audit Committee and Academic Council, no longer on Governance Committee or Human Resources Committee;**
- **Brent Hesje no longer the Chair of the Branding subcommittee;**
- **Ray Pisani appointed to Governance Committee;**
- **Andy Clark appointed to Human Resources Committee;**
- **Daryl Kruper appointed to Human Resources Committee;**
- **Randy McLeod no longer on Human Resources Committee;**
- **Mark Ohe appointed to Finance and Audit Committee, in addition to his current appointment on Campus Development Committee;**
- **Jonathan Bilodeau appointed to Academic Council and External Relations Committee; and**
- **Justin Nand appointed to Academic Council.**

**Carried**

- c) NAIT Policy IR12.0 Use of Animals in Teaching and Research  
Randy provided an overview of the policy advising that the primary purpose of the policy focuses on the fact that animals play an essential role in research and training in Life Sciences. NAIT recognizes its moral and ethical obligation to ensure exemplary care and use of live animals under its care. The Institute recognizes the importance of animal care and protection and is committed to complying with the guidelines of the Canadian Council of Animal Care (CCAC).

**Moved by Randy McLeod that the Board of Governors approve NAIT Policy: Use of Animals in Teaching and Research IR12.0 as presented.**

**Carried**

- d) NAIT Policy OA.3 Investment  
Randy provided an overview of the policy. The policy is intended to govern the investment activities of the outside Investment Manager of NAIT. The Board of Governors affirms the importance of NAIT's financial assets both as a source of revenue generation and as necessary support for the operations of the Institute.

Revisions to include:

4.4 The emphasis "within" ...downgrades must be implemented  
"within"...obtained from the Vice-President "A" dministration and CFO.

**Moved by Randy McLeod that the Board of Governors approve NAIT Policy: Investment OA.3 as presented.**

**Carried**

### **3.8 Human Resources Committee (Brent Hesje)**

The committee has not met.

## **4. Presentation and Discussion**

### **4.1 Pathways (Glenn Feltham)**

Glenn provided an overview of his presentation on pathways:

- Pathways are a primary driver in everything we do at NAIT.
- They are a defining element of all great post-secondary institutions and systems and are foundational to Campus Alberta.

- Increasing importance as lifelong education becomes the norm.
- The pathways discussion focuses on the concept that educational programs should never be limiting or terminal:
  - Education taken should be appropriately recognized, with clear options for continuation.
  - Learners benefit where we enhance options and opportunities and make education seamless.
- Focus on 3 forms of pathways:
  - Pathways within NAIT
    - Degrees offer pathways to students with NAIT diplomas and trade certification to advance their education. Trades-to-Degrees is all about creating pathways.
    - Enhancing pathways is one of the primary motivators for the Academic Model.
  - Pathways within the Post-Secondary System
    - Working to ensure there are appropriate pathways between institutions in Alberta.
    - Education taken at NAIT should be recognized by all post-secondary institutions within Alberta.
    - Central topic at meetings of Alberta's post-secondary institutions Presidents.
    - NAIT is working on a Memorandum of Agreement (MOA) between institutions in Northern Alberta, with a central purpose of enhancing pathways.
  - Pathways from K – 12 system
    - Great systems extend pathways beyond postsecondary.
    - Potential of a high school for Science, Technology, and the Trades (the Collegiate) adjacent to our main campus and is important as the profile and understanding of polytechnic education and more broadly science, technology and trades, is poor.
      - Pathways directly from high school to institutions such as NAIT are weak.
      - Provide seamless pathways for students to NAIT and to the strongest technology-related programs in other institutions.
      - Elevate the profile of polytechnic education and elevate perceptions.
      - Collegiate would attract those who love to use their hands.
      - Assist in developing curriculum not just for the school but also for the broader K-12 system.
      - Delivered through a competency-based model.
      - Blur the lines between K-12 and postsecondary.
      - Link strongly to labour market demand and to industry.
      - LRT will facilitate students coming from across Edmonton.
- Working further with K-12 system through NAIT's Provost and VP Academic and the Ministry of Education on the integration of entrepreneurship into K-12 curriculum.

- For NAIT to achieve its promises to industry, staff, and students focus on pathways is critical and take a leadership role in the development of such.

Comments shared roundtable included the encouragement to include Aboriginals in the Collegiate.

Kudos extended to Glenn and his team for the focus on pathways and the MOA with northern institutions.

**5. Schedule (2013/2014)**

Provided for information purposes only.

**6. Correspondence**

Provided for information purposes only.

**7. Board Member Contact List**

Provided for information purposes only.

**8. Next Board Meeting**

Please note that the festive dinner will follow the December 2<sup>nd</sup> Board meeting in Ernest's Dining Room at 6:00 pm.

**Monday, February 3, 2014**

**9. Adjournment**

***Moved by Glenn Feltham that the meeting be adjourned at 6:01 pm.***

***Carried***

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Corie Phillips, Recorder

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Brent Hesje, Chair