



NORTHERN ALBERTA INSTITUTE OF TECHNOLOGY

Minutes of the One hundred thirty-second regular meeting of the **Board of Governors**

Monday, October 7, 2013
4:00 to 6:00 pm
O102P Governors Boardroom

Members Present:	James Cumming Jonathan Bilodeau Syed Haq Allan Mah Justin Nand Larry Spagnolo	Dr. Glenn Feltham Kerry Brown Brent Hesje Keith Meagher Mark Ohe	Jeff Bailey Darcy Corcoran Daryl Kruper Kevin Nabholz Ray Pisani
Recorder:	Corie Phillips		
Others Present:	Dr. Neil Fassina Lara McClelland Nancy McGuire Andrew Smith	Dr. Ray Block Thomas Djurfors Sana Al Jamea Doug Short	George Andrews Susan Cline Tim Rosen
Regrets:	Diane Brickner	Andy Clark	Randy McLeod

1. Call to Order

James Cumming provided a warm welcome to the new Board members in attendance, Daryl Kruper and Ray Pisani. James also extended congratulations to Brent Hesje as the new Board Chair effective October 10, 2013. Roundtable introductions followed.

a) Approval of Agenda

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

Carried

b) Approval of Minutes of June 18, 2013

Moved by Brent Hesje that the minutes of June 18, 2013 be accepted as presented.

Carried

c) Business Arising from Minutes

Tuition Comparison (Glenn Feltham)

As requested at the June 18, 2013 meeting, a tuition comparison of the related programs at NAIT and SAIT for the academic year 2012/13 was provided. Tuitions are compared between certificate, diploma, and degree programs within the following academic areas: Business, Health Sciences, Hospitality and Culinary Arts, Information Communication and Engineering, and Sustainable Building and Environmental Management. Glenn provided the observation that, for most programs, SAIT's tuition is higher than NAIT's.

2. NAIT Executive Reports

a) Office of the President and CEO

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

- Glenn extended kudos to everyone involved in the process to appoint a new Chair, and three new Board members.
- Glenn also extended kudos to Larry Spagnolo (Chair of External Relations Committee), George Andrews (VP External Relations and CDO), and Thomas Djurfors (Director, Government Relations) for their work on advocacy.
- CAT is the largest and most important capital project in NAIT's history. Funding was approved and led to a groundbreaking event attended by the Premier, Deputy Premier, Cabinet Ministers, and MLAs. This is the critical infrastructure we need to grow. It is important that the project is completed on time and on budget. There are risks associated with the project that we need to mitigate.
- The City of Edmonton has formally announced closure for the City Centre Airport lands on November 30, 2013. The outgoing city council explicitly requested city management begin formal negotiations with NAIT. The leadership of NAIT will continue to work closely both with the current and future City Council.
- Following the last budget, post-secondary institutions, including NAIT, received significant reductions in funding. Difficult decisions have been made to match new fiscal realities. Among other measures, a staff redundancy program and a voluntary retirement incentive program were administered following consultations.
- NAIT is playing a critical role in redefining the post-secondary system. The system is evolving to place greater emphasis and recognition on the nature of education we provide. There are continued meetings with government and presidents across the post-secondary system, with processes being put in place to define the future direction of post-secondary education and Campus Alberta – that is, we are trying to map a collective way forward.
- During this time of great change and uncertainty, it is also a time for opportunity. Glenn acknowledged the work of the Executive, President's Council, and the broader leadership of NAIT to enable this opportunity.
- Letter of Expectation was rewritten to focus on three areas (1) Expectations for the post-secondary system; (2) Expectations for the sector; and (3) Expectations specific to the institution.
- Succession is an important focus namely:
 - Dr. Neil Fassina, Provost and VP Academic (previously Dean, JR Shaw School of Business)
 - Tad Drinkwater, Acting Dean of the JR Shaw School of Business
 - Peter Lawlor, Dean, School of Trades left NAIT and Malcolm Haines took on the role of Acting Dean.
 - Dr. Tony Olmsted, Director of Institutional Research replaced Jeff Donnelly who accepted early retirement.
- Regarding enrolment a central promise in NAIT 2021 is to meet the current and emerging needs of Alberta for polytechnic education – to meet this promise, we need

to grow. A proposal was submitted to expand 11 programs, primarily in engineering and technology while simultaneously continuing to increase capacity for apprenticeship education.

- Glenn is the Chair of the Task Force for Teaching Excellence announced on September 11th.

Glenn provided highlights of Items of Interest since the last Board meeting:

- First annual Professional Development Day held on August 28, 2013 as well as providing reinforcement of NAIT's values and vision set out in NAIT 2021.
- 50th Anniversary activities were completed in July.
- NAIT received Canada's only gold medal at Worldskills in Germany.
- Mapping of our academic programs has been completed and all students entering are now under the Academic Model – major milestones.

Glenn's summarized his risk profile stating that it has shifted since the last meeting as follows:

- On the academic side, risks continue to be reduced, as important milestones are passed on implementing the Academic Model.
- The funding of CAT significantly reduced our future capacity risks; however, intermediate to longer term financial sustainability continue to place stress on NAIT and the broader system.
- Collective agreements remain an issue as we failed to reach an agreement with NASA, an arbitration process will be started in the fall.
- AUPE bargaining has begun.

James Cumming extended acknowledgement to the team - specifically Ruth Juliebo (Communications Specialist) and Kim Brix (Digital Video Specialist) for the video prepared for the Tribute to Mayor Stephen Mandel.

b) Provost and VP Academic

Dr. Neil Fassina summarized his report as follows:

- Neil commended the entire academic portfolio for their accomplishments for the implementation of all of the changes they have faced over the past while with the transition of Provosts meanwhile implementing the Academic Model.
- The Trades to Degree pathway continues to develop with 16 applicants accepted following interview process from a pool of approximately 25 formal applicants.
- Nine of eleven courses originally committed for development under eCampus Alberta for Water and Wastewater program have been completed and approved by eCampus Alberta. The next step is to submit all courses to Alberta Environment and Sustainable Resource Development (AESRD) for CEU approval.
- The Learning Resources staff reviewed and revised internal documents and processes to adjust to NAIT's decision to opt out of the Access Copyright Interim Tariff Agreement and also provided resources to support both students and staff through the transition. To further mitigate risk, NAIT has created a Guideline and Procedure for Use of Copyright-Protected Works.
- A NAIT apprentice, Mike Scheideman won a gold medal at the world skills competition in Germany. This is the first gold medal that Canada has won in Refrigeration and Air

Conditioning since becoming involved in the World Skills competition and it was the only medal won by Canada at this year's event.

- Student Success' continued focus is on making the student experience excellent across campuses from the New Student Orientation enabling students to take a campus tour and access resources they need; to the increase in contact volume in the advising centre and SSCC; to the outstanding athletics season this past year as the student athletes/coaches achieved 12 ACAC medals and 7 CCAA medals.
- With the return of Dr. David Carpenter to his previous role of Dean of the School of Information, Communication, and Engineering Technologies, a search for a new AVP, Research and Innovation was launched in Q4 and should be completed by Q2.

c) VP Administration and CFO

Dr. Ray Block provided a summary of his report as follows:

- The planning for students residence continues with SCION being awarded a contract for Student Housing Needs Assessment and Options Analysis Study. The study will provide recommendations on various areas including financial and non-financial business case for NAIT to develop student housing; the optimum student housing development in terms of type, size of development, amenities and phasing; the optimum delivery model; and co-located commercial operations. The schedule is to have a report available for NAIT to review in January 2014.
- The year-end financial statements are finalized resulting in a \$4.3M surplus, which exceeds our budgeted deficit of \$5.3M. These results are truly a team effort.
- Financial Task Force has been meeting regularly to monitor the progress of the five main focus areas including apprenticeship revenues, tuition revenues, novaNAIT operations, budget/forecasting, and technology and partnership opportunities. The task force will monitor the collective efforts of the five focus areas as well as other major activities to ensure NAIT meets budget targets in our CIP.
- NAIT went out to RFP for our Investment Management services. The panel consisted of two Board members (Kerry Brown and Brent Hesje), three members of NAIT (Dr. Ray Block, George Andrews, and Jeff Dumont), two NAITSA members (Jonathan Bilodeau and Chris Chelmick) and two external members (Philip Poon and Virenda Gupta both from the U of A). Ray extended appreciation to all of those involved in the rigorous process.
- CAT Groundbreaking event occurred on August 29th with the Premier and Deputy Premier in attendance.
- The construction of the Boreal Research Facility in Peace River is nearing completion and is expected to be ready for occupancy by October 2013.
- The city is continuing with the LRT construction and is expected to be completed by early fall 2013. The LRT is expected to be in service in the spring of 2014.
- Collective bargaining with NASA continues but has stalled on monetary issues and we are scheduled for this to advance to mediation and arbitration in early December.
- Collective bargaining with AUPE commenced on September 28th.
- ITS continues to operationalize the results of our recent IT RFPs. Ordering and deployment practices have already been adjusted from HP to DELL for desktop and mobile computers; Internet service was scheduled to switch to Shaw by the end of September with phone services to follow shortly thereafter.

- We have regretfully accepted the resignation of Calvin Reivonen, Director, Capital Projects as he has accepted a position within Alberta Infrastructure.
- Lou Zoldan, Stantec was selected as the Project Manager. Lou was previously responsible for a major project at the U of A. An internal group, the CAT Oversight Committee continues to meet and provide oversight and recommendations to NAIT's Executive Committee.

d) VP External Relations and CDO

George Andrews provided a summary of his report as follows:

- Vacant positions filled including Mike Meldrum, AVP Advancement; Adam Zawadiuk and Dean Kaddoura filling the two Development Officer positions.
- Focus of the Essential – The NAIT Campaign is individual giving. The Essential Case Statement was shared with key individual and corporate prospects. Meetings to secure Campaign Cabinet volunteers have begun and will continue into the first quarter of the 2013/14 fiscal year.
- 2013/14 is the transition year of credit programming moving to the Schools and in tandem the CED/CIT merger is presenting the opportunity to identify and grow non-credit programming courses which increase pathways to our credit programming as well as provided essential education to Alberta.
- Thomas Djurfors, Director Government Relations, assisted the Government of Alberta with the Southern Alberta flood recovery namely the Premier's Flood Recovery Task Force. Thomas assisted in standing up the Task Force focusing particularly on developing processes for issues management, monetary and in-kind donations, stakeholder liaison and relationship building and management.
- NAIT has renewed its agreement with TD Meloche Affinity Agreement and NAIT is the only non-university with this agreement.
- CIT focused it's abilities to manage many local clients seeking short-term training in a wide variety of programs but also ensured resources were secured to provide services to international clients with long-term complex needs.

e) Chief Strategy Officer

Lara McClelland provided a summary of her report as follows:

- Two areas of significant attention over the past three months include:
 - Strategically growing NAIT's programming in the areas of greatest labour market demand.
 - On July 18, 2013, staff from the Ministry of Enterprise and Advanced Education (E&AE) invited post-secondary institutions to submit proposals for expansion of new and existing programs that would address current and projected labour force needs.
 - NAIT's senior leadership met in response to the request and categorized programs into three categories, namely: (1) programs explicitly defined by E&AE; (2) programs identified as being in strong demand in short and long term labour market analyses; and (3) institutional program priorities where advisory committees and/or industry identified significant demand.
 - 11 programs were identified for growth at NAIT starting in Fall 2014 through to Winter 2016. If approved, it would represent an additional

300 full-load equivalents (FLEs) on entry and 444 FLEs when fully executed. This would also represent one of NAIT's greatest increases to credit full-time programming in the past six years.

- Developing outcomes for the polytechnic sector collaboratively with SAIT and developing outcomes for NAIT.
 - Each of Alberta's six sectors have elected one representative President from their sector to work on key initiatives – one which is a go-forward strategy for completing sector and institutional-level letters of expectation.
 - The outcomes have been approved by the Government of Alberta and areas of collaboration within the polytechnic sector will initially focus on: (1) awareness of polytechnic education; (2) program development; (3) mobility and credit transfer; and (3) applied research.
- Comprehensive Institutional Plan (CIP) was approved on August 23, 2013 and it is now posted on both the intranet and internet sites. Performance management plans are being developed to align with the key goals, actions, and performance measures in the CIP.
- Credit Enrolment – Unduplicated Headcount shows a gradual decrease in the number of students attending credit programming, the fluctuations are largely a result of the changes in apprenticeship seats.
Action: For future credit enrolment reports, separate apprentices into a separate category.
- An internal Task Team was formed to support the development of the Annual Report. The team will complete a first draft by October 31, 2013. Changes within this year's Annual Report include greater integration of NAIT 2021, a letter from NAIT's outgoing Board Chair, and a new section report on NAIT staff.

(i) Letter of Expectation

Lara McClelland reviewed the letter of expectation highlighting that NAIT and SAIT have had preliminary discussions and a first draft of the polytechnic sector outcomes has been developed amongst the two executive leaderships and submitted to the Ministry of Enterprise and Advanced Education. These outcomes have been approved by the Government of Alberta. The draft institutional outcomes were posted for feedback and after appropriate revisions were made following the extensive consultation, the draft institutional outcomes were shared with the Ministry of Enterprise and Advanced Education on September 19, 2013. NAIT received approval from the Ministry on October 5, 2013; therefore it was tabled for the Board's review.

Moved by Allan Mah that NAIT's Letter of Expectation proposed by the Government of Alberta be approved for the 2013/14 operational year.

Carried

3. Committee Reports

3.1 Academic Council (Glenn Feltham)

a) Minutes of September 17, 2013

Moved by Dr. Glenn Feltham that the Academic Council meeting minutes of September 17, 2013 be accepted as information.

Carried

Campus Development Committee (Kevin Nabholz)

a) Minutes of August 27, 2013

Kevin Nabholz provided a overview of the minutes highlighting the following:

- Significant lease space and property transactions occurred and after substantial negotiations, the owner of the Western Hog Exchange building decided not to sell.
- The committee has considered the shortage of space on Main Campus to accommodate program/staffing requirements and NAIT's continued and projected growth. The Campus Development Plan and associated business case is predicated on the consolidation of NAIT activities in the Capital Region area to a single expanded campus at the current Main Campus location. When looking at space requirements, CDC carefully considers lease vs. buy options and conducts a net present value analysis as a tool in making that determination.
- The ONPA building is located at 10415 Princess Elizabeth Avenue and is for sale. This building is located adjacent to the Western Hog Exchange building which is adjacent to NAIT's HR building. The building is 14,791 square feet. The building interior is updated and consists of a large open concept office area, offices, and meeting rooms. This purchase of this building is compared to leasing the equivalent space at the current rates from NAIT's Kingsway Professional building lease. The as-is layout could accommodate approximately 50 staff. A layout design is required to confirm potential occupancy prior to the closing date of March 31, 2014.
- NAIT has engaged the SCION group (founded 14 years ago in Chicago) through an RFP process for a Student Housing Needs Assessment and Options Analysis student. The project scope will include (a) demand analysis to measure the potential number of beds and unit type that may be appropriate for NAIT; (b) market analysis that will provide an overview of local rental conditions that would potentially provide competition to a contemplated NAIT student residence; (c) review of non-financial benefits beyond the business case such as how would a student residence impact NAIT?; and (d) options analysis including site selection and financial analysis focusing on financial modeling that will provide an understanding of the capital requirements, operating costs and revenue projections of contemplated NAIT residence. The study will be presented at an upcoming CDC meeting and available at the March board retreat if determined complementary. Kevin also acknowledged the strong student participation in the project provided by Daryn Rainer as a member on the steering committee.

Moved by Kevin Nabholz that Campus Development Committee meeting minutes of August 27, 2013 be accepted as information.

Carried

b) Sale of St. Albert Building

Kevin provided an overview of the St. Albert building that was acquired by NAIT when Fairview College amalgamated with NAIT in 2004 and is located at 506B St. Albert Trail. The administration is proposing to sell the property and is seeking approval of the Board for the sale and to request an order in council from the Government of Alberta to permit the sale. The facility is located 15 km from Main Campus and the location precludes the ability to use it to alleviate space pressure at Main Campus. It is also not suitable for use in the trades programs which is another significant current pressure, due to the nature of the building. Therefore, the property is not core to NAIT's short-term requirements and is not within the longer-term strategic plan. This proposed sale will greatly assist NAIT in pursuing the purchase of the ONPA building. This was supported at the August 27, 2013 CDC meeting.

Moved by Kevin Nabholz that the NAIT Board of Governors approve the following Board Resolution for Disposition of Land as follows:

THAT, subject to the prior approval of the Lieutenant Governor in Council under section 67 of the Post-Secondary Learning Act, the Board of Governors of the Northern Alberta Institute of Technology authorizes and approves to sell its interest in the highlighted land described as Lot 1F, Block 30, Plan 992 6584, a total of approximately 41,818 square feet, or 0.96 acres of land as outlined.

Carried

c) Naming Grids and Donor Recognitions

Kevin summarized the naming grids and donor recognitions stating 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.

James provided kudos to George Andrews and his team for the donations recognized.

Moved by Kevin Nabholz that the Board of Governors approve the naming grids as shown.

NAIT – Main Campus –

GIFT LEVEL	NAMING OPPORTUNITY
\$250,000	A113 – Laboratory; increase gift level from \$100,000 due to specialized equipment.
\$100,000	A159 - Laboratory; increase gift level from \$50,000 due to specialized equipment.
\$100,000	G006 – Laboratory; increase gift level from \$75,000 to bring in line with other rooms in area.
\$200,000	WA116 - Laboratory
\$200,000	WB322 - Laboratory

\$1,500,000	NAIT Boreal Forest Institute – Building naming
\$200,000	NAIT Boreal Forest Institute - Clean Lab
\$200,000	NAIT Boreal Forest Institute - Soils Lab
\$1,500,000	NAIT Boreal Forest Institute - Greenhouse (1,2 & 3)

Carried

Donor Recognition

Moved by Kevin Nabholz that the Board of Governors approve the donor recognition as shown.

NAIT Centre for Heavy Equipment (A)

- Laboratory (A107; 10 year term) – Sureway Construction Group Ltd. (\$500,000 cash)

NAIT Centre for Chemical Technologies (G)

- Laboratory (G006; 10 year term) – Gilead Alberta ULC (\$100,000 cash)

NAIT HP Centre (W)

- Laboratory (WA116; 10 year term) – AltaLink, L.P. (\$200,000 cash)

NAIT HP Centre (W)

- Laboratory (WB322; 5 year term) – SGO MISTIKA (\$200,000 In-kind)

NAIT Petro-Canada Centre for Millwright Technology (Y)

- Classroom (Y210; 5 year term) – NSK Canada Ltd. (\$50,000 In-kind; \$30,000 cash)

Carried

3.3 Executive Committee (James Cumming)

a) Minutes of June 27, 2013

James advised that he met with Honourable Thomas Lukaszuk, Deputy Premier and Minister of Enterprise and Advanced Education where they discussed performance-based pay. James informed the Minister that Performance-Based Pay is a fundamental tool that aligns compensation to specific measurable goals and NAIT's vision, and should continue.

Moved by James Cumming that the Executive Committee meeting minutes of June 27, 2013 be accepted as information.

Carried

- b) Minutes of August 16, 2013

Moved by James Cumming that the Executive Committee meeting minutes of August 16, 2013 be accepted as information.

Carried

3.4 External Relations Committee (Larry Spagnolo)

- a) Minutes of September 25, 2013

Larry provided an overview of the minutes as follows:

- Thomas Djurfors, Director Government Relations assisted the Government of Alberta with its Southern Alberta flood recovery efforts by being seconded to the Premier's Flood Recovery Task Force. NAIT assisted in standing up the Task Force, focusing particularly on developing processes for issues management, monetary and in-kind donations, and stakeholder liaison and relationship building and management.
- Government Relations participates as a member on NAIT's Tuition Fee Working Team, charged with developing a principle-based tuition model that also aligns with anticipated regulatory changes.
- Working in cooperation with Enterprise and Advanced Education on an economic impact study for NAIT to determine the institution's economic impact on its region for both short-term and long-term reasons.
- Three focus areas for Corporate Communications for the next year are (1) enhancing the perception of NAIT internally and externally; (2) securing stable brand funding; and (3) integrating brand across all schools, programs, and departments. The three-year brand strategy is focused on growth and expansion and achieving our vision of NAIT 2021.
- The factors influencing fundraising are corporate vs. individual donations, engaging alumni in a strategic way, philanthropic vs. strategic investments, and campaign cabinet recruitment.
- Larry advised that the Advocacy Advisory Committee will be meeting next week and if any of the members have suggestions about the top three strategic areas that NAIT should focus on in the near and medium time frame to bring these forward. One suggestion brought forward was to make better use of the Foundation Trustees.
- Larry extended congratulations to Glenn Feltham, George Andrews, and Thomas Djurfors for all of the persistent work in securing CAT funding.

Moved by Larry Spagnolo that the minutes of the External Relations Committee of September 25, 2013 be accepted as information.

Carried

3.5 Finance & Audit Committee (Kerry Brown)

- a) Minutes of September 23, 2013

Moved by Kerry Brown that the minutes of the Finance and Audit Committee meeting of September 23, 2013 be accepted as information.

Carried

b) Report of the October 1, 2013 Meeting

Kerry provided an overview of the October 1, 2013 meeting as follows:

- Reclassification between the Loss on disposal of assets and increase in deferred contribution was discussed and supported.
- Current agreement for the investment management services end December 31, 2013 and that NAIT would be issuing a RFP and the work is now concluded.
 - At the May 29, 2013 meeting of the Finance and Audit Committee, an interview panel was established consisting of two Board members, three members from NAIT's Administration, two members from NAITSA, and two external members to review the RFP's.
 - The RFP was issued on June 13, 2013 with a closing date of July 24, 2013 and was well received by market, with 28 firms submitting voluminous responses.
 - Firms ranged from bank associated brokerage firms to small and medium employee-owned investment firms to national and international banks and fund-of-funds managers.
 - Of the 28 firms, two failed to comply with the terms and were excluded from further consideration.
 - The firms were screened on the following four criteria: (1) Assets Under Management (AUM); (2) fee charges proposed; (3) bench strength (investment team size, qualifications and process); and (4) loss of clients and AUM.
 - After applying the criteria noted above, seven interviews were conducted.
 - After the face-to-face interviews were conducted, the panel was shortlisted to three with the application of the five following RFP evaluation criteria: organization attributes, investment process and performance, service and delivery, pricing and fees, and total offering.
 - Three written questions were asked of the remaining bidders.
 - A review of the responses was conducted at the September 23rd Finance and Audit Committee meeting and it was then decided that a final check of the references would be conducted to assist in making the decision.
 - The interview panel met for a final time on October 1, 2013 and finalized their recommendation to the Finance and Audit Committee.
 - The Finance and Audit Committee met then on October 1, 2013 to review the recommendation of the panel and approved the recommendation of TD Asset Management as NAIT's Investment Manager.
 - In addition to reduced fees, TD Asset Management provides greater comfort on lowering our risk profiles with respect to managing investments, while still providing us with expectation of good returns that we are accustomed to.

Moved by Kerry Brown that the report of the Finance and Audit Committee meeting of October 1, 2013 be accepted as information.

Carried

c) Centre for Applied Technologies Borrowing Case

Kerry Brown provided an overview of the background on the borrowing case. The Government of Alberta approved an additional \$200 million (\$5 million previously provided) towards the \$294 million project. The government plans to provide NAIT with the \$200 million over 5 years, whereas NAIT plans to complete the building in 3 years with expected construction finished in early summer 2016 and be open for classes in September 2016. It is critical for both service delivery and minimizing costs, that NAIT is able to complete CAT according to these time frames. NAIT is seeking approval to borrow up to \$150 million from Alberta Capital Financing Authority (ACFA) to help bridge the financing of Alberta Enterprise and Advanced Education's (EAE) portion of the construction costs prior to the EAE grant monies being disbursed to NAIT. Current ACFA interest rates are under 2%.

To achieve this business objective, NAIT needs to obtain Board of Governor's to approve a motion for borrowing for the Centre for Applied Technologies, to cover the cash flow needs as NAIT constructs the building faster than the \$200 million funding will be received from EAE. EAE has to accept the rationale for NAIT to borrow, so they can submit a request for Order in Council to the Minister of EAE. This would then allow the Minister, if he approves, to provide a joint recommendation with the President of Treasury Board and Minister of Finance for an Order in Council to Cabinet to approve. Management has reviewed the business case with EAE and anticipates no issues.

Moved by Kerry Brown that the Board of Governors approve the following motion:

**RESOLUTION OF THE BOARD OF GOVERNORS OF
THE NORTHERN ALBERTA INSTITUTE OF TECHNOLOGY
("Board of Governors")**

WHEREAS the Board of Governors, to carry out the purposes of the Northern Alberta Institute of Technology, considers it appropriate and necessary to construct the Centre for Applied Technologies at a cost of \$294 million ("Project"); and

WHEREAS the Board of Governors considers it appropriate and necessary to borrow funds from the lender described in this resolution.

IT IS HEREBY RESOLVED THAT:

1. Pursuant to section 73 of the *Post-secondary Learning Act* and subject to the prior approval of the Lieutenant Governor in Council, the Board of Governors, for the purposes of the Northern Alberta Institute of Technology, authorizes and approves the borrowing of an amount to fund the Project not to exceed one hundred fifty million dollars (\$150,000,000) in Canadian funds ("Loan").

2. The Loan be:

- a. From a lender which is the Alberta Capital Finance Authority ("Lender") in an amount not to exceed one hundred fifty million dollars (\$150,000,000);
 - b. For a term not to exceed 5 years;
 - c. At an interest rate not to exceed 2.25% per annum.
- And that within the parameters set out in this section 2, the establishment of the amount, term and interest rate be made by the President and CEO (or Acting President and CEO).

3. To secure the repayment of the Loan, the Northern Alberta Institute of Technology grant to the Lender such security as may be required by the Lender and agreed to by the President and CEO (or Acting President and CEO).

4. The President and CEO (or Acting President and CEO) be and is hereby authorized for and on behalf of the Northern Alberta Institute of Technology to:

- a. Negotiate, execute and deliver to the Lender such notes, bonds, debentures or other securities in such form, with or without seal, and containing such terms and conditions related to amount, denomination, time and place of payment, principal and interest and redemption as the Lender requires as a condition of the Loan;
- b. Include in the security the Lender requires as a condition of the Loan all such securities, debentures, charges, pledges, mortgages, conveyances, assignments and transfers to or in favour of the Lender of all or any property, real or personal, moveable or immovable, owned by the Northern Alberta Institute of Technology or in which it may have an interest as the Lender may require;
- c. Give the Lender any other documents or contracts necessary to give or furnish to the Lender the security or securities required by the Lender including without limiting the generality of the foregoing, all or any receivables, book debts due or growing due, stocks, bonds, insurance policies, promissory notes, bills of exchange and securities of all kinds.

5. All agreements, securities, documents and instruments proposing to be signed, made, drawn, accepted, executed, or endorsed as provided in this resolution shall be valid and binding on the Northern Alberta Institute of Technology.

6. The Lender shall be furnished with a signed copy of this resolution.

I hereby certify that this resolution has full force and effect on the 7th day of October 2013.

Carried

d) Purchase of ONPA Building

Kerry advised that further to the August 27, 2013 CDC meeting, this purchase was also reviewed at the September 23, 2013 Finance and Audit Committee meeting and is fully supportive. The \$3.5 million allows for various costs over the purchase price to cover items such as legal, land title registration, and other incidental costs related to completing this purchase.

Moved by Kerry Brown that for the fiscal year ending June 30, 2014, the Board of Governors approve the transfer of the following appropriations:

1. ***The transfer of \$1.8 million from the funds previously appropriated for the Property Purchase Reserve for the acquisition of the Western Hog Exchange Building to the Property Purchase Reserve for the acquisition of the ONPA Building;***

- 2. The transfer of \$1.7 million from the funds previously appropriated to the Strategic Investment Fund to the Property Purchase Reserve for the acquisition of the ONPA Building.**

Carried

Further to the August 27, 2013 Campus Development Committee meeting the approval of the purchase of the ONPA building recommended for Board approval:

Moved by Kevin Nabholz that the purchase of the ONPA lands and building at 10415 Princess Elizabeth Avenue, Edmonton, for the purchase price of \$3,350,000 be approved, subject to inspection and assessments findings acceptable to Administration.

Carried

- e) NAIT's Audited Consolidated Financial Statements for the Fiscal Year Ended June 30, 2013

Kerry advised that Robert Driesen, Assistant Auditor General; Tim Lamb, Principal, and accompany staff from the Auditor General's office presented to NAIT and the NAIT Foundation, the audit results for the year ended June 30, 2013. 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 report had no recommendations this year but had a continuous improvement observation to the manual journal entry process that administration is currently reviewing. The largest audit issue across the post-secondary sector was the adoption of the Canadian Public Sector Accounting Standards (PSAS).

NAIT ended the 2013 fiscal year with \$4.3 million operating surplus and an accumulated operating surplus of \$182.8 million. The positive variances in NAIT's excess revenue over expense is mainly attributed to strong investment performance, increase in international students, and net positive financial variance in overall business operations due to factors such as increases in grant revenues and sales, rentals, and services offset by additional expenses related to these revenue sources.

Moved by Kerry Brown that the Board of Governors accept NAIT's Audited Consolidated Financial Statements for the Fiscal Year Ended June 30, 2013 with such non-substantive changes that management of NAIT considers necessary or advisable.

Carried

3.6 Foundation Trustees (Kerry Brown)

- a) Minutes of September 23, 2013

Kerry provided kudos to NAIT's Administration for another successful audit.

Moved by Kerry Brown that the minutes of the NAIT Foundation meeting of September 23, 2013 be accepted as information.

Carried

3.7 Governance Committee (Keith Meagher)

a) Minutes of August 8, 2013

Keith provided an overview of the minutes on Randy McLeod's behalf. For future Board vacancies, Aboriginal experience will be focused on as the Board is not currently properly represented. Keith advised that Keith provided a short introduction to the three new Board members namely:

- Andy Clark, Executive Chairman, Clark Builders who founded Clark Builders in 1974 and was CEO until 2011. Andy grew the scope of the business while maintaining a solid footprint in small-scale commercial construction. With a focus on human resource management by connecting people through encouragement and building a culture of inclusion and business development by expanding Clark Builders; creating logical strategies that effectively built relationships and created opportunities. Andy's served on various boards and has employed 600+ tradespeople that NAIT trained.
- Daryl Kruper, President, Simson Maxwell graduated from NAIT as a journeyman electrician and rose to become the President of Simson Maxwell, a position he held since 2004, where he oversees all aspects of the power generation and industrial engine business. Daryl has board and community service experience along with financial experience.
- Ray Pisani, President and CEO, Alberta Blue Cross since 2010 where prior to that he held senior leadership positions at Alberta Blue Cross since 2000. Ray is responsible for the overall leadership and direction of all activities of the Corporation within the policies and objectives established by the Board. Ray has board and community experience and was the recipient at NAIT's 50th Convocation in 2013 for a Honorary Bachelor of Business Administration. Health is one of NAIT's four programmatic pillars and Ray will bring a vast array of knowledge in this area.
- Brent Hesje, CEO, Fountain Tire has been a public member since 2008 and will effectively be Board Chair as of October 10, 2013.

***Moved by Keith Meagher that the Governance Committee meeting minutes of August 8, 2013 be accepted as information.
Carried***

3.8 Human Resources Committee (James Cumming)

The committee has not met.

4. Presentations and Discussion

a) Occupational Health & Safety (Andrew Smith)

Glenn provided an introduction to Andrew Smith, Director of Health & Safety who has over 20 years experience in civil construction, electrical utilities, government

and the military along his career path. Andrew is also the Vice-Chair of the Alberta Occupational Health and Safety Council. Andrew provided a summary of his work thus far at NAIT including:

- The mandate to support development of a strong safety culture that maintains and enhances NAIT as a leader in safety training and education. NAIT will develop a safety strategy for staff, including curricula for students that enable the training and knowledge to transition with students to work sites – included in the Letter of Expectation.
- OH&S has a linkage to President's Council via Joint Worksite Health and Safety Committee and supported in the Departments and Schools via localized OH&S Committees.
- OH&S is well positioned at NAIT to create a safety culture that is identified in the Values defined in the NAIT Way and supports all of the promises in NAIT 2021.
- OH&S Safety Strategic Steering Team established to define the culture of safety at NAIT, working with Facilities Management and Development to consider improved tools to manage 3rd party contractors at NAIT, 3rd Party Gap Analysis of OH&S Management System, implementing electronic data management system for health and safety, and developing personally directed tools that can be accessed electronically all assist to accomplish a strategic direction.
- The ultimate outcomes would be to provide definitive support to Enterprise Risk Management through a tighter OH&S Management System and positioning NAIT as the Health and Safety leader in Polytechnic institutes.

Board members expressed their appreciation for the presentation and stressed the importance of safety at NAIT. The members also provided a warm welcome to Andrew and encouragement for the work he is completing.

Action: For future meeting packages, it was requested that data in comparison to other institutions and/or within various areas at NAIT is provided.

b) Brand Research (Susan Cline)

Susan Cline's presentation was included in the agenda package and reviewed it with the group highlighting the following:

- We Are Essential Image Campaign
- Quantitative Research Methodology – used both telephone and online survey methods to reach NAIT-Affiliated groups including current students, alumni faculty and staff; general population group; used Red Deer as the approximate North/South dividing line; targets also set by age (16-34, 35 – 54, and 55+).

- Overall, the responses strongly suggest that our brand campaign is successful – that there is greater awareness of NAIT, that people have a stronger understanding of what we do, and that they understand our importance to Alberta and other key promises.
- Unaided Awareness
 - Which institution in Edmonton or Northern Alberta comes to mind first?
NAIT @ 26% only preceded by U of A at 46%
 - Which post-secondary institutions come to mind? NAIT @ 64% only preceded by U of A at 70%
- Tagline Awareness
 - What does the tagline “We are Essential to Alberta” mean to you? The answers align closely with NAIT’s four promises, and with our vision. Top three answers: NAIT provides education/training for jobs in Alberta; provides training for industries relevant to Alberta; and NAIT provides post-secondary/trades education in Alberta.
- PS Study Areas in NAIT
 - The general population was asked what NAIT does, in terms of post-secondary study areas. There was significant awareness of our four pillars. For example, the top three answers: trades and apprenticeship training; engineering technologies; and business.
- Overall Impressions
 - Favourable or unfavourable impression of NAIT? 92% favourable or very favourable.
- Statements about NAIT
 - The answers align closely with NAIT’s four promises, and with our vision. NAIT prepares students for meaningful careers, NAIT provides education for the real world, and NAIT’s hands-on, technology-based learning provides exceptional skills and experience.

5. Schedules (2013/2014)

Provided for informational purposes.

6. Correspondence

Provided for informational purposes.

7. Board Member Contact List

Provided for informational purposes.

8. Next Board Meeting

Please note that the fall dinner will follow the October 7th Board meeting in Ernest’s Dining Room at 6:00 pm.

Monday, December 2, 2013 followed by the Board Festive Dinner

9. Adjournment

Prior to official adjournment, James Cumming extended his heartfelt appreciation to the Board members for their great work over his term and for agreeing to Chair subcommittees

that are responsible for large projects and initiatives. James extended thanks specifically to the Subcommittee Chairs – Kerry Brown (Finance and Audit Committee Chair), Kevin Nabholz (Campus Development Committee Chair), and Larry Spagnolo (External Relations Committee) for their work on securing funding for the Centre for Applied Technologies. James also extended appreciation to Glenn and the rest of his Executive Team who always have a plan in place to react to both the expected and unexpected. James' final thanks was to Corie Phillips, Board Secretary for always assisting him in getting done what he had to and keeping him organized.

Glenn then extending recognition to James for all of his accomplishments over the years as both Public Member and Board Chair and that noted that he has been an incredible asset to NAIT. James has been a leader, personal mentor, and a friend. The members gave James a standing ovation.

Moved by James Cumming that the meeting be adjourned at 6:18 pm.

Carried

Corie Phillips, Recorder

James Cumming, Chair