



Board of Governors
 Open Session Minutes

Friday, October 18, 2013
 2-31 South Academic Building (SAB)
 8:00 AM - 12:00 PM

ATTENDEES:

Voting Members:

Douglas O. Goss	Chair, General Public
Shenaz Jeraj	Vice-Chair, General Public
Dick Wilson	Vice-Chair, General Public
Mike Belosevic	Member, General Faculties Council
Brent Epperson	Member, Graduate Students' Association
Don Fleming	Member, Alumni
Jane Halford	Member, Alumni
Agnes Hoveland	Member, General Public
Brent Kelly	Member, Students' Union
Steven LePoole	Member, General Public
Don Matthew	Member, General Public
Ove Minsos	Member, General Public
Christopher Pu	Member, Non-Academic Staff
Wayne Renke	Member, Academic Staff (AASUA)
Bernd Michael Reuscher	Member, Senate
Indira Samarasekera	Member, President
Robert H. Teskey	Member, General Public
Ralph Young	Member, Chancellor

Non-Voting Officials Appointed by the President:

Lorne Babiuk	Vice-President (Research)
Phyllis Clark	Vice-President (Finance and Administration)
Martin Ferguson-Pell	Acting Provost and Vice-President (Academic)
Marion Haggarty-France	University Secretary
Brad Hamdon	General Counsel
Don Hickey	Vice-President (Facilities and Operations)
Deborah Holloway	Board Secretary and Committee Coordinator
O'Neil Outar	Vice-President (Advancement)
Debra Pozega Osburn	Vice-President (University Relations)

Colleen Skidmore	Vice-Provost and Associate Vice-President (Academic)
<u>Regrets</u>	
Christopher Pu	Member, Non-Academic Staff
Marcia Lang	Senior Strategic Advisor to the President

Presenter(s):

Douglas O. Goss	Chair, Board of Governors
Indira Samarasekera	President and Vice-Chancellor, Office of the President
Martin Ferguson-Pell	Acting Provost and Vice-President (Academic), Office of the Provost and Vice-President (Academic)
Don Matthew	Member, Board of Governors
Dick Wilson	Member, Board of Governors
Robert H. Teskey	Member, Board of Governors
Agnes Hoveland	Member, Board of Governors
Ralph Young	Chancellor, Senate
Petros Kusmu	President, Students' Union
Brent Epperson	President, Graduate Students' Association
Don Fleming	Member, Board of Governors
Jane Halford	Member, Board of Governors
Wayne Renke	Member, Board of Governors
Christopher Pu	Member, Board of Governors
Mike Belosevic	Member, Board of Governors

Staff:

Deborah Holloway, Board Secretary and Manager of Board Services

OPENING SESSION

1. Chair's Session

Presenter(s): Douglas O. Goss

1.1 Call to Order and Confirmation of Quorum

Ms Holloway confirmed that the attendance constituted quorum. The Chair called the meeting to order at 8:00 a.m.

1.2 Approval of Open Session Agenda

Documents before members are contained in the official meeting file.

The Chair noted that the Information Report from the Association of Academic Staff University of Alberta would be moved into the Closed Session.

The motion was moved and seconded, as amended

THAT the Board of Governors approve the Open Session Agenda, as amended.

Carried

1.3 Conflict of Interest - Opportunity for Declaration related to Agenda

The Chair made note of the following:

- The University of Alberta has policy and procedure in place for Conflict of Interest and Conflict of Commitment, and Board members make annual disclosures.
- In addition, Board members must declare any conflict related to the Board Agenda of each meeting and, in the event of such conflict, absent themselves from the discussion and voting on the item.
- The Post-Secondary Learning Act, Section 16(5) states that: The members of the board must act in the best interests of the university.

The Chair invited members to declare conflicts of interest related to the Open Session Agenda of the meeting. The Chair observed no declarations and declared that the question was duly asked and answered.

1.4 Chair's Remarks Board of Governors' Fund for Excellence

The Chair welcomed members to the first Board Meeting of the 2013-14 Governance year. He also welcomed Steven LePoole to his first meeting as a public member of the Board.

The Chair then introduced the Board of Governors' Fund for Excellence. The Fund is intended to support of the strategic vision members of the Board agreed to at the planning retreat in April 2013. The fund is to be used at the discretion of the President in support of excellence across the University. In these budget constrained times flexible funds are scarce and could make a significant impact in advancing the change agenda. The funds may be used for:

- Cross-disciplinary and/or multi-faculty research and education collaborations
- Professional development for academic and student leaders
- Investment in critical fields that are in the nascent stages of winning philanthropic, government, sponsored research, or other revenue support.

The Chair noted that he had launched the fund with a donation of \$25,000 and encouraged all current and past members of the Board to participate in the fund in hopes that there will be 100 percent participation each year. He asked Mr Outar to send invitations to participate to all current and past members of the Board.

Each June, as part of the President's Report to the Board, the President will provide an overview of how the funds were utilized. Donors also will receive an annual letter from the President providing a written description of how the funds were used and inviting additional support.

Presentation by Jeff Melanson, President, The Banff Centre

Mr Melanson provided a presentation regarding Banff Centre Strategic Plan, and the role of the Lougheed Leadership Initiative partnership with the University of Alberta.

2. Report of the President

Materials before members are contained in the official meeting file.

Presenter(s): Indira Samarasekera

In addition to her written report the President addressed the following items:

- She congratulated Doug Goss, Chair of the Board of Governors, who had recently been awarded the Alberta Order of Excellence, Alberta's highest honour.
- The *Dare to Discover Report Card* for the Academic Year 2012-2013 was presented to members. The President reviewed the vision, cornerstones and aspirations contained in *Dare to Discover*, and noted the importance of benchmarking achievements against those of our peers. She addressed each of the four cornerstones individually, highlighting various strategies, activities and outcomes. The Report Card is available online at:

<http://www.president.ualberta.ca/en/~media/Office%20of%20the%20President/Images/D2DReportCard-2012-13.pdf>

- The President provided an update regarding the three-year action plan arising from the Board of Governors Change Agenda. The plan consists of four main strategic objectives, guided by an overall commitment to the University's core mission and excellence. Those objectives are:

Objective #1: Academic transformation

- Build a stronger, more vibrant graduate research culture and continue to make the case that graduate institutions require differentiated funding models.
- Take greater advantage of opportunities for collaboration and cooperation between faculties to reduce duplication and leverage common or related strengths—both in terms of academic programming and administrative management of faculties.
- Ensure that the University engages in active and efficient processes of program elimination and renewal. Adding new programs is critical but so is eliminating programs and courses which are consistently under-enrolled.
- Ensure that faculty review processes play an instrumental role in enhancing excellence in our research performance, revenue, and impact.
- Continue to grow in areas of excellence and expand student opportunities and support research advancements in those areas.

Objective #2: Sustainable financial models

- Compensation. The recommendations of the Renaissance Committee will be of great importance in this area.
- Revenue generation and sharing. A Government initiative: Results-based review.
- Exploring options related to tuition.
- Philanthropy.

Objective #3: Efficient administration

- Seek innovative ways to find administrative efficiencies.
- University of Alberta expenditures on administration are not out-of-line—they fall below the ministry's guideline of 5%.

Objective #4: Culture change

- At the senior leadership team retreat in late August, the President, Vice-President, and Deans committed to a new level of transparency and communication to ensure that faculty, staff and students feel informed and have the tools they need to participate meaningfully in consultations.

The President noted that her weekly bulletin is being posted online, and a budget primer has been developed.

The President responded to questions and comments from members regarding the following matters: the impact of reduced Provincial funding for research; operating revenue per FTE; the impact of permanent residency rules on international students; challenges regarding graduate student funding; whether the recently released Alumni Impact Report might be useful in discussions with the Government of Alberta regarding funding; the need for revised metrics and for goal-setting; and whether there are plans to create new scholarships for international students.

Regarding the Change Agenda, the President will bring forward measures, timelines and milestones, reporting progress to the Board on a regular basis. Members engaged in a general discussion regarding goals and challenges surrounding Change Agenda.

2.1 Dare to Discover Report Card

Materials before members are contained in the official meeting file.

The President addressed this item during her Report, recorded above.

3. Approval of Consent Agenda

Materials before members are contained in the official meeting file.

Presenter(s): Douglas O. Goss

The Chair noted that he would call for a seconded motion to accept all items on the Consent Agenda (items 3a through 3d8). He noted that any Board member might request removal of one or more items from the Consent Agenda and, in such case, full discussion of the item(s) would take place at an appropriate point in the Agenda. Having accepted the amended list of items to be included on the consent agenda, he would call for a further seconded motion to approve the items en masse. The Chair asked if any member wished to remove an item from the Consent Agenda so that it may be the subject of discussion.

Ms Hoveland requested that the Information Report from the Board University Relations Committee be removed, and Mr Kusmu asked to remove the Information Reports from the Board Finance and Property Committee and the Board Learning and Discovery Committee. The Chair further noted that he would remove the Chancellor's report to allow for verbal remarks. The motion was moved and seconded, as amended.

THAT the Board of Governors approve the Open Session Consent Agenda, as amended.

Carried

3a. Approval of the Open Session Minutes of June 21, 2013

Presenter(s): Douglas O. Goss

3b. Approval of the Open Session Minutes of September 12, 2013 (Electronic Vote)

Presenter(s): Douglas O. Goss

INFORMATION REPORTS

3c1 Report of the Investment Committee

Presenter(s): Bob Kamp

3c2 Report of the Audit Committee (withdrawn)

Presenter(s): Don Matthew

3c3 Report of the Finance and Property Committee

Presenter(s): Dick Wilson

Discussion:

Ms Clark responded to a question from a member regarding whether the International Fee Differential would be increased.

3c4 Report of the Human Resources and Compensation Committee

Presenter(s): Robert H. Teskey

3c5 Report of the Learning and Discovery Committee

Discussion:

The President responded to a question from a member regarding why the Provincial Government had rejected a proposal for the creation of a Masters of Arts program in Women's and Gender Studies.

3c6 Report of the Safety, Health and Environment Committee

3c7 Report of the University Relations Committee

Presenter(s): Agnes Hoveland

Discussion:

Ms Hoveland asked Dr Pozega Osburn to describe the Advancing Alberta initiative which involves a select group of University of Alberta representatives visiting a small community and meeting with groups such as the local council, school boards, Rotary and adult education providers. They discuss the University, the community, changes in the Province, and how the University of Alberta has an impact. The team listens to the community's comments on how changes are affecting them, and asks what the community needs that the University can bring back. This is followed up with a response that will be of value to the community, such as a public lecture on an issue of interest.

REGULAR REPORTS

3d1 Chancellor's Report (verbal update)

Presenter(s): Ralph Young

Discussion:

The Chancellor reported that the Senate is committed to assist the Board of Governors in achieving the vision developed at the Board Strategic Planning Retreat. He also reported on community engagement activities, the task force on connecting communities, and USchool. He encouraged members to support the United Way campaign, currently underway.

3d2 Alumni Association

Presenter(s): Don Fleming; Jane Halford

3d3 Students' Union

Presenter(s): Petros Kusmu

3d4 Graduate Students' Association

Presenter(s): Brent Epperson

3d5 Association of Academic Staff of the University of Alberta

Presenter(s): Wayne Renke

This report was deferred to the Closed Session Agenda.

3d6 Non-Academic Staff Association

Presenter(s): Christopher Pu

3d7 General Faculties Council

Presenter(s): Mike Belosevic

3d8 Board Chair and Board Member Activity Report

Presenter(s): Douglas O. Goss

ACTION ITEMS

4. Report of the Audit Committee

Presenter(s): Don Matthew

4.1 Board Audit Committee Terms of Reference

Materials before members are contained in the official meeting file.

Purpose of the Proposal: To review the Committee Terms of Reference and approve proposed changes.

The motion was moved and seconded.

THAT the Board of Governors, on the recommendation of the Board Audit Committee, approve the proposed changes to the Committee's Terms of Reference, as set forth in Attachment 1.

Carried

5. Report of the Finance and Property Committee

Presenter(s): Dick Wilson

5.1 Board Finance and Property Committee Terms of Reference

Materials before members are contained in the official meeting file.

Purpose of the Proposal: To approve the proposed changes to the Committee Terms of Reference.

The motion was moved and seconded.

THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee, approve the proposed changes to the Committee's Terms of Reference, as set forth in Attachment 1.

Carried

5.2 Supplemental Capital Expenditure Authorization Request (CEAR) for Innovation Centre for Engineering (ICE) Fit-Out Construction

Presenter(s): Don Hickey

Materials before members are contained in the official meeting file.

Purpose of the Proposal: Fit-out of the ICE building will provide much needed, purpose built, teaching and research space for 100 additional engineering faculty members and 900 additional engineering graduate students. As well, it will consolidate all of the engineering faculty members and a majority of the administrative functions required to achieve the faculty's long-term budget objectives.

Discussion:

Mr Hickey presented the item, outlining the scope of the project. He responded to a question from a member regarding whether there was potential financial support from the Provincial Government for this project.

The motion was moved and seconded.

THAT the Board of Governors, on the recommendation of Board Finance and Property Committee, approve an additional supplemental expenditure of forty-four million, six hundred and forty thousand dollars (\$44,640,000) in Canadian funds for a total revised project cost of one hundred and thirty four million, four hundred thousand (\$134,400,000), for the construction and fit-out of the Innovation Centre for Engineering (ICE).

Carried

5.3 Internal Loan/Bridge Financing for Innovation Centre for Engineering (ICE) Fit-Out Construction

Presenter(s): Phyllis Clark

Materials before members are contained in the official meeting file.

Purpose of the Proposal: Fit-up of the ICE buildings will provide much needed, purpose built, teaching and research space for 100 additional engineering faculty members and 900 additional engineering graduate students. As well, it will consolidate all of the engineering faculty members and a majority of the administrative functions required to achieve the faculty's long- term budget objectives.

Discussion:

Ms Clark outlined the funding for the project and described the internal loan policy.

The motion was moved and seconded.

THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee, approve an internal loan for up to \$15,000,000 with a term up to 2 years for the construction of the Innovation Centre for Engineering (ICE).

Carried

6. *Report of the Human Resources and Compensation Committee*

Presenter(s): Robert H. Teskey

6.1 Board Human Resources and Compensation Committee Terms of Reference

Materials before members are contained in the official meeting file.

Purpose of the Proposal: To review the Committee Terms of Reference and approve proposed changes.

The motion was moved and seconded.

THAT the Board of Governors, on the recommendation of the Board Human Resources and Compensation Committee, approve the proposed changes to the Committee's Terms of Reference, as set forth in Attachment 1.

Carried

7. *Report of the Learning and Discovery Committee*

Presenter(s): Shenaz Jeraj

7.1 Draft Letter of Expectation (LOE)

Materials before members are contained in the official meeting file.

Presenter(s): Martin Ferguson-Pell

Purpose of the Proposal: To endorse the Letter of Expectation between the Ministry of Enterprise and Advanced Education (EAE) and the University of Alberta. This Letter of Expectation is an agreement between the Board of

Governors of the University of Alberta and the Minister regarding high level outcomes and responsibilities for both parties.

Discussion:

Dr Ferguson-Pell presented the item, outlining the process to date. He noted that the document will have four sections on the expectations of the government, the expectations of Campus Alberta, the expectations of the CARI sector, and the expectations of the University of Alberta. Although this section of the Letter is being drafted by the University of Alberta, the text will be part of a letter from the Government of Alberta to the University. He described the governance process that led to this recommendation of Board approval.

He responded to questions and comments from members regarding the following matters: whether the wording of the letter might allow the Government to determine the competencies and attributes required; the purpose of the Letter of Expectation and whether it might be used as a framework for results-based budgeting in the future; whether the Letter would result in favourable outcomes for the University; and a concern that the scope might increase the Government's authority.

The motion was moved and seconded.

THAT the Board of Governors endorse the Letter of Expectation (LOE) 2013 as provided by the Ministry of Enterprise and Advanced Education (EAE), and as recommended by the Board Learning and Discovery Committee, to take effect upon signing by the Minister of EAE and the Chair of the Board of Governors for the University of Alberta.

Ms Hoveland, Mr Minsos, and Dr Belosevic Opposed

Carried

8. Report of the Safety, Health and Environment Committee

Presenter(s): Steven LePoole

8.1 Board Safety, Health and Environment Committee Terms of Reference

Materials before members are contained in the official meeting file.

Purpose of the Proposal: To review the Committee Terms of Reference and approve proposed changes.

Discussion:

This proposal expands the Committee's mandate to include receiving, reviewing, and providing recommendations on management strategies and programs to create a culture of enterprise-wide risk and compliance at the University relating to environmental, health, safety and security issues.

The motion was moved and seconded.

THAT the Board of Governors, on the recommendation of the Board Safety, Health and Environment Committee, approve the proposed changes to the Committee's Terms of Reference, as set forth in Attachment 1.

Carried

REGULAR REPORTS

9. Other Business

Presenter(s): Douglas O. Goss

The Chair reminded members that lunch would be served following the Closed Session of the Board meeting at RATT in the Students' Union Building.

CLOSING SESSION

10. Conclusion of Open Session

The Chair concluded the Open Session at 10:30 a.m.