



UNIVERSITY OF ALBERTA

UNIVERSITY GOVERNANCE

Board of Governors Open Session Minutes

Monday, June 03, 2013
11:00 a.m. – 12:00 noon

ATTENDEES:

Voting Members:

Miodrag (Mike) Belosevic	Board Member (General Faculties Council)
Brent Epperson	President, Graduate Students' Association
Don Fleming	Board Member (Alumni Association)
Douglas Goss	Chair, Board of Governors
Jim Hole	Board Member (Alumni Association)
Agnes Hoveland	Board Member (Public Member)
Shenaz Jeraj	Board Member (Public Member)
Brent Kelly	Undergraduate Representative to the Board of Governors
Jerry Naqvi	Board Member (Public Member)
Christopher Pu	Board Member (Non-Academic Staff Association)
Wayne Renke	Board Member (Academic Staff)
Bernd Reuscher	Board Member (Senate)
Indira Samarasekera	President
Robert Teskey	Board Member (Public Member)
Richard Wilson	Board Member (Public Member)
Ralph Young	Chancellor

Non-Voting Officials Approved 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	University Counsel
Don Hickey	Vice-President (Facilities and Operations)
O'Neil Outar	Vice-President (Advancement)
Debra Pozega Osburn	Vice-President (University Relations)
Colleen Skidmore	Vice-Provost and Associate Vice-President (Academic)

Regrets:

Marcia Lang	Chief of Staff and University Relations
Don Matthew	Board Member (Public Member)
Ove Minsos	Board Member (Public Member)

Observers:

Petros Kusmu	President, Students' Union
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Staff:

Deborah Holloway	Board Secretary and Manager of Board Services
Juli Zinken	Assistant Board Secretary

OPENING SESSION

1. Chair's Session

1.1 Call to Order and Confirmation of Quorum

The Board Secretary confirmed that attendance constituted quorum. The On-Site Chair, Mr Dick Wilson, called the meeting to order at 11:05 a.m.

1.2 Approval of Open Session Agenda

The motion was moved and seconded.

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

CARRIED

1.3 Conflict of Interest – Opportunity for Declaration related to Agenda

Mr Wilson 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.*

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

1.4 Chair's Remarks

Mr Wilson welcomed Board members and informed them that he would be chairing the meeting at the request of the Board Chair, Mr Douglas Goss, who was participating by teleconference.

ACTION ITEMS

2. Report of the Audit Committee

2.1 Management's Annual Financial Statements (Draft) and Review and Draft Financial Analysis.

Materials before members are contained in the official meeting file.

Presenters: Phyllis Clark, Vice-President (Finance and Administration); Martin Coutts, Associate Vice-President, Finance and Supply Management Services

Purpose of the Proposal: To recommend to the Board the approval of the audited Financial Statements as required by the Post-Secondary Learning Act.

Discussion:

Mr Wilson introduced the item on behalf of Mr Don Matthew, Chair, Board Audit Committee, noting that the Financial Statements had been reviewed and recommended by the Audit Committee following thorough discussion.

Ms Clark informed Board members of the adoption of the new Canadian Public Sector Accounting

Standards (PSAS) and reviewed in detail the adjustment of certain 2012 comparatives in the financial analysis required by these changes. She reviewed the statements and notes, highlighting the University's 2012 excess revenue over expense and accumulated operating deficit, the impact of the current financial market climate on endowment and interest income, the decline in funding in support of research, government capital funding for infrastructure maintenance and positive variance repurposing, as well as areas of significant financial risk.

Ms Clark responded to a question from the Board clarifying the stated risk related to tuition revenue.

The motion was moved and seconded.

THAT the Board of Governors, on the recommendation of the Board Audit Committee, approve the Audited Financial Statements for the year ended March 31, 2013.

CARRIED

3. Report of the Finance and Property Committee

3.1 University of Alberta's Comprehensive Institutional Plan (CIP) (2013)

Materials before members are contained in the official meeting file.

Presenters: Debra Pozega Osburn, Vice-President (University Relations); Phyllis Clark, Vice-President (Finance and Administration); Martin Ferguson-Pell, Acting Provost and Vice-President (Academic); Don Hickey, Vice-President (Facilities and Operations); Lorne Babiuk, Vice-President (Research).

Purpose of the Proposal: The CIP is written in support of the University's vision and mission as outlined in Dare to Discover and its Academic Plan, Dare to Deliver. The CIP outlines the University's academic and research priorities as articulated in the Academic Chapter, which in turn drives the University's capital and resource allocation priorities.

Discussion:

Dr Pozega Osburn introduced the item and informed Board members that changes to the original March CIP document were restricted to the new addendum, not throughout the document, and include financial and budgetary changes as well as risks incurred due to these budget changes. She indicated that the recommending Governance Committees had suggested changes to the current draft, including increased emphasis on risks, a sentence to clarify that increases to endowment will not cover cuts, and the addition of the words "non-permanent" in front of the second iteration of the words "CoSSS fee" within the 'Consolidated Revenue' section of the CIP Addendum (page x). She informed the Board that these changes would be incorporated upon final approval of the amended document.

Ms Clark reviewed a PowerPoint presentation on the budget portion of the document, informing the Board that consolidated budget issues are related primarily to the operating budget and that the University plans to address these issues over three years. She reviewed the 2013-14 base-restructuring plans and projected adjustments for 2014-15 and 2015-16 as well as the proposed budget principles. She then reminded members that a deficit budget has to be approved by the Minister following Board approval.

Board members and Administration engaged in discussion regarding the use of the term "flagship institution" in the CIP document and its potential opposition from the Minister.

President Samarasekera, Dr Ferguson-Pell, and Ms Clark responded to questions from the Board regarding the document's intended audience, government's response to the proposed 2013-14 deficit and future deficit budgets, proposed deficit-budget comparisons with other provincial post-secondary institutions, the consultation process related to program cuts both within faculties and across the University, the University's plans to finance the accumulated deficit, and the likelihood of a cash crisis.

The motion was moved and seconded.

Subject to Ministerial approval as per the Post-Secondary Learning Act, Section 78(3), THAT the Board of Governors, on the recommendation of the General Faculties Council Academic Planning Committee, the Board Finance and Property Committee, and the Board Learning and Discovery Committee, approve the 2013 University of Alberta Comprehensive Institutional Plan (CIP), as set forth in Attachment 1, and empower administration to make any editorial changes to the CIP, as needed, as long as the changes do not have the force of policy.

CARRIED as amended

CLOSING SESSION

4 Conclusion of Meeting

Mr Wilson concluded the meeting at 11:55 a.m.