



## NORTHERN ALBERTA INSTITUTE OF TECHNOLOGY

### Minutes of the One hundred twenty six regular meeting of the **Board of Governors**

Monday, February 6, 2012  
4:00 to 6:00 pm  
O102P Governors Boardroom

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<b>Members Present:</b>	James Cumming Dr. Glenn Feltham Teagan Gahler Keith Meagher Larry Spagnolo Don Metz	Govind Pillai Jeff Fitzner Brent Hesje Kevin Nabholz Leanne Telford	Darcy Corcoran Vincent Frankiw Allan Mah Mark Ohe Randy McLeod
<b>Recorder:</b>	Corie Phillips		
<b>Others Present:</b>	Dr. Ray Block Roxanna Stumbur Susan Cline Thomas Popowich	Dr. Paula Burns Terry Sulyma Helen Wladyka Sherri Krastel	George Andrews Thomas Djurfors Chennae Lapatak
<b>Regrets:</b>	Diane Brickner	Kerry Brown	

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#### 1. Call to Order

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

##### a) Approval of Agenda

James recognized the accomplishments of Govind Pillai over the duration of his term on the Board as a student member which will come to an end April 30, 2012. James thanked Govind for his contributions at his last Board meeting and noted that he will be more formally recognized in the future.

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

***Carried***

##### b) Approval of Minutes of December 5, 2011

***Moved by Kevin Nabholz that the minutes of December 5, 2011 be accepted as presented.***

***Carried***

##### c) Business Arising from Minutes

There was no business arising from the minutes but Dr. Glenn Feltham provided an update on previous action items including board engagement in advocacy, the number of registrants relative to alumni, and where students go that get turned away.

## 2. NAIT Executive Reports

### a) Office of the President and CEO

Dr. Glenn Feltham advised that NAIT has been recognized as one of Alberta's Top 55 Employers for 2012. This shows that NAIT is making great strides and is among only three post-secondary institutions recognize (University of Alberta and Athabasca) and 11 employers in Edmonton area.

Glenn provided an overview of the changes to the Board package. Glenn advised that a high-level risk analysis would be provided at the beginning of each Board package under his report. His risk analysis was divided into six sections including: academic and strategic direction, financial, people, systems and structures, facilities and capacity, and reputation and external. The risk analyses for each sector report are located in the appendix, which summarize the operational risks for each area. In addition, there will now be narrative provided for each discussion item on the agenda (Perceptions about NAIT and Engaging the Aboriginal Community specific to today) to provide members with a background as to the reasoning for the discussion.

Glenn provided an overview of his report to highlight important activities that have occurred at NAIT since the last regular Board meeting. Glenn is focusing his attention on three areas: building capacity (CAT), defining a future campus (the City Centre Redevelopment), and setting our direction (NAIT 2021). In addition to these areas, the implementation of the New Academic Model is a key priority and an ongoing focus for the institute.

Capacity (CAT) – NAIT exists to meet the needs of Alberta (and more specifically Northern Alberta) for polytechnic education. Our greatest risk to meeting these needs in the short to intermediate term is that we will not have the physical capacity to provide the necessary academic programming.

Long Term Capacity (City Centre Redevelopment) – NAIT has an opportunity to meet its long term campus needs through the City Centre Redevelopment. It is a transformative project that would allow for NAIT to grow and enable the consolidation of NAIT's campuses onto a single site. This will define our future and is critical. Ray, George, and Glenn all very involved. The focus is on how much land, the right land, maximizing flexibility (reducing encumbrances) and the economics (how we can make this work).

Vision for NAIT (NAIT 2021) – Internal consultation is almost complete on NAIT 2021 – the vision for NAIT. Consultation included staff sessions, focus group sessions, and large group staff sessions which focused on all elements of the vision, including core values. There will be considerable time spent discussing this at the February 25<sup>th</sup> Board retreat. Glenn is in the process of rewriting NAIT 2021.

In terms of the risk analysis:

- Academic and Strategic Direction – high importance, but low risk as taking all necessary actions.
- Financial – low budgetary risk in the year, but potential risk looking forward.
- People and Systems – moderate risk, but being managed.
- Facilities and capacity – immediate capacity is a significant risk (CAT), as is longer term capacity (Airport Lands). Significant attention is being paid to each.
- Reputational and External – a significant risk

b) Provost and VP Academic

Dr. Paula Burns provided an overview of her report. Paula advised that the Bachelor of Technology in Construction Project Management is in its final phase for approval with a Campus Alberta Quality Council (CAQC) site visit booked for April. If the program is approved, it will run courses starting in January 2013.

The total number of applications for the 2011/12 academic year is 17,659 including academic upgrading and not including trades/apprenticeship. On average this is 2.8 applications per available space.

Recently held at NAIT was the NAIT/SAIT Joint Deans Council meeting. They discussed principles of collaboration regarding approximately twenty projects generating new ideas that the leadership teams will start working on right away.

c) VP Administration and CFO

Dr. Ray Block provided an overview of the revenue and expenses for the fiscal year ending December 31, 2011. Risk management is an area that is receiving increased attention. One area of significant importance to NAIT is Finance and Funding. President's Council will meet on Friday, February 10<sup>th</sup> and the current budget planning in preparation for NAIT's 2012/13 operating and capital budgets. A discussion will also be held on the desire in future years to move away from our current incremental based budgeting approach to a responsibility based budgeting approach. This is timely and in line with Premier Redford's introduction of Bill 1 the Results-Based Budgeting Act and with the changes to our new academic model. NAIT has a strong balance sheet and it is Administration's desire to keep it that way.

In the Board package, there is a letter from Jeff Johnson, Minister of Alberta Infrastructure advising the Chair that his department was reviewing our request for an Order in Council. The Order in Council was approved on February 2<sup>nd</sup> authorizing the sale of land from NAIT to the City of Edmonton for the operation of the North LRT line.

d) VP External Relations and CDO

George Andrews provided an overview of his report noting that the year to date revenue is approximately 40% of the annual target. The solicitations for donations are slower because of inability to sell a specific project with the delay of CAT. Advancement is on track to exceed target for student award distribution this year.

In regards to Corporate and International Training, while the overall revenue continues to be negatively impacted by the economic slowdown, CIT is starting to recognize the benefits of improving economy with a slight increase in revenue compared to 2010/11. There are new international projects in Mexico, China, and Cuba (CIDA).

### 3. Committee Reports

#### 3.1 Academic Council (Glenn Feltham)

a) Minutes of January 17, 2012

***Moved by Dr. Glenn Feltham that the Academic Council meeting minutes of January 17, 2012 be accepted as information.***

***Carried***

### **3.2 Advocacy Committee (Larry Spagnolo)**

Larry Spagnolo provided an overview of the meeting of February 3, 2012 of which the minutes will be provided to the Board at the May meeting.

The CAT advocacy strategy was sent out to Board members electronically in preparation for the dinner with the Government to follow the meeting. The status of CAT remains unclear at this point. Larry reviewed the mandate of the committee which includes:

- NAIT's issues are heard and understood by decision makers.
- NAIT receives the financial resources necessary to achieve its vision.
- NAIT has appropriate facilities and equipment necessary to achieve our vision.
- NAIT's vision and direction, including policy that allows us to achieve this vision, is fully supported by decision makers, but particularly by the Government of Alberta.

Information packages including the positioning matrix were distributed at table to members. Members were asked to note their relationships at various levels of Government as applicable and return the form to George and/or Larry as soon as possible.

Larry advised that the Executive is engaged in various meetings and discussions with key stakeholders in regards to the City Centre Redevelopment. Larry also advised that the Provincial Cabinet Tour visited NAIT on January 24, 2012 and it included Honourable Diana McQueen, Minister of Environment and Water; Honourable Doug Griffiths, Minister of Municipal Affairs, and Tony Vandermeer, MLA, Edmonton-Beverly-Clareview.

The Executive are looking at ways to fund CAT through a P3 (public-private-partnership). They are considering all and potential options to follow such a structure.

### **3.3 Campus Development Committee (Kevin Nabholz)**

- a) Joint Meeting – Campus Development Committee & Finance and Audit Committee Minutes of January 19, 2012

Kevin Nabholz provided an update on both the Joint meeting and the stand alone Campus Development Committee meeting.

The current proposal for land for NAIT in the City Centre Redevelopment project does not provide NAIT with enough useable land. The Executive are working with the committee to rectify the amount of land proposed on various levels. The City of Edmonton is moving very quickly. CAT is still the priority.

NAIT has an interest in property in the South of Edmonton – the South Lands. The land was set aside for NAIT as part of a land exchange between Carma Developers and the Government of Alberta. The land has not been transferred to NAIT, but continues to be owned by the Government of Alberta.

City of Edmonton Westwood Transit Garage (Bus Barns) are located North of our main campus. The bus barns may be a part of the lands acquired by NAIT through the City Centre Redevelopment, alternatively, they may be a separate

transaction. The Executive are reviewing if the lands are of value to NAIT and any potential liability.

The contract for the new parkade was awarded to Clark Builders in May 2011. Work is underway to upgrade the south leg of the 103 street/118<sup>th</sup> Avenue intersection and relocate an access onto 118<sup>th</sup> Avenue.

The Continuing Education (K) Building was vacated in summer 2011 as part of the ongoing implementation of the Campus Development Plan. Funding consideration is being given to reactive K Building to provide program space given that CAT is not currently approved.

***Moved by Kevin Nabholz that the Joint Finance and Audit Committee and Campus Development Committee meeting minutes of January 19, 2012 be accepted as information.***

***Carried***

- b) Minutes of January 19, 2012

***Moved by Kevin Nabholz that the Campus Development Committee meeting minutes of January 19, 2012 be accepted as information.***

***Carried***

### **3.4 Executive Committee (James Cumming)**

- a) Minutes of December 12, 2011 (verbal update)

James Cumming provided a verbal update of the standing Executive Committee meeting to follow each Board meeting. The December Executive Committee meeting discussed various ways to improve the format of the Board package which have now been implemented. These meetings are generally done in-camera.

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

- a) Minutes of January 19, 2012

Brent Hesje provided an overview of the minutes in Kerry Brown's absence. Brent extended appreciation to Administration and the NAIT Students Association (NAITSA) for working together to consolidate the agreements which will soon be finalized. Brent extended a special thank you to Govind Pillai and Teagan Gahler for their commitment to this extensive project.

***Moved by Brent Hesje that the minutes of the Finance and Audit Committee meeting minutes of January 19, 2012 be accepted as information.***

***Carried***

- b) Financial Report for the Quarter Ended December 31, 2011

***Moved by Brent Hesje that the December 31, 2011 financial report be accepted as information.***

Carried

- c) Investment Report for the Quarter Ended December 31, 2011

***Moved by Brent Hesje that the December 31, 2011 investment portfolio performance report be accepted as information.***

Carried

- d) Financial Parameters for 2012/13 to 2014/15

Glenn provided an overview of the financial parameters as shown in the Board package on pages 73 – 76 and are similar to last years' forecast. Finance and Audit Committee engaged in a very good discussion as to whether the forecasts reflect a structural deficit. Management does not believe this is structural given assumptions are reasonably conservative, several factors could result in smaller deficits or even surpluses, and the projected deficits are relatively small (2% range).

**ACTION: How does NAIT's cash reserves compare to other post-secondary institutions? What is the money targeted for in the investment portfolio as it is a substantial amount for the size of budget we run.**

**ACTION: Revise the letter to Minister Weadick to reflect the campus Alberta grant calculation increase and include a reference to budget challenges as a result of NAIT's deferred maintenance.**

***Moved by Brent Hesje that the Board of Governors approve:***

***a) The following parameters be reflected in the preparation of the financial section of the 2012/13 to 2014/15 Comprehensive Institutional Plan:***

- i. For the 2012/13 fiscal year, budget strategies be identified and implemented to net \$7.0 million in revenue increases or expense savings, and that the budgeted excess of expense over revenue be no greater than \$8.2 million, with such amount to be drawn from NAIT's Internally Restricted Net Assets. Further, it is expected that Administration will continue to work towards reducing the amount of the budget shortfall throughout the 2012/13 year.***
- ii. For the 2013/14 and 2014/15 fiscal years, that the respective forecasts include a requirement for further strategies to net \$4.4 million and \$3.5 million in revenue increases or expense savings in each year respectively, subject to adjustments arising from new information received in those years.***

***b) In accordance with paragraph 78(3) of the Post-Secondary Learning Act, that NAIT request approval from the Minister to submit a 2012/13 Budget in which consolidated operating expense exceeds consolidated operating revenue by no more than \$8.2 million, with such amount to be drawn from NAIT's Internally Restricted Net Assets.***

Carried

a) Minutes of January 16, 2012

Randy McLeod advised that the Board retreat agenda was distributed at table and will be revised to reflect the addition of Teagan Gahler in attendance. The retreat will focus on the theme “Our Future” and the team-building activity will involve the health programs.

The ITM – Information and Technology Management (ITM) and Governance policy is an improvement on existing policy. The subcommittee received an excellent presentation by Helen Wladyka, Director, Information Services and Randy commended Helen for her continued work with Alberta Advanced Education and Technology in this regard. NAIT is the first organization to bring the policy forward for approval at a Board level. IT Governance is a Board responsibility and it was recommended that ITM fall under the Finance and Audit subcommittee which will report back to the board on an as-needed basis.

Randy advised that Kevin Nabholz was up for reappointment in November and the committee unanimously agreed he should be reappointed for an additional three years, term ending November 24, 2014.

***Moved by Randy McLeod that the Governance Committee meeting minutes of January 16, 2012 be accepted as information.***

***Carried***

b) NAIT Policy ITM – Information and Technology Management (ITM) and Governance

***Moved by Randy McLeod that the NAIT ITM (Information and Technology Management) and Governance Policy be recommended to the Board of Governors for approval.***

***Carried***

**3.7 Human Resources Committee (James Cumming)**

The committee has not met.

**4. Discussion Items**

a) NAIT’s Brand Research Presentation (Susan Cline)

Glenn provided an introduction for Susan Cline who was recently recruited as Director of Marketing and Communication. An immediate priority for Susan was to measure how NAIT is perceived. Glenn also mentioned that NAIT has made great progress on the execution side of marketing and communications (we have very talented individuals) and are winning significant awards including 16 national and international awards in 2 years. Our marketing focus has not been on institutional marketing (telling the broader NAIT story), but rather on achieving narrower goals (eg: increasing enrolment in a specific program).

Susan proceeded to provide a presentation on NAIT’s Brand Research. How NAIT is perceived impacts our success – it affects funding and support from government, students’ decisions, our ability to attract and retain outstanding faculty and staff, and our sense of self. Susan focused on three areas including why perceptions of NAIT matter, brand research (how NAIT is perceived) including the qualitative research findings and perceptions of NAIT, and evolving NAIT’s brand. Cue Research conducted the brand research and the objective was to evaluate our current image among our audiences. Focus group sessions were held in Alberta’s major centres where the bulk of our students,

corporate, and government influencers reside. The areas of focus included the attitudes about Edmonton post-secondary institutes (the advantages and disadvantages), what people considered when choosing one institute over another, attitudes concerning NAIT's degree programs, and recall of our marketing – do people remember what we are saying about NAIT? NAIT was compared to Grant MacEwan University and the University of Alberta. The research found that people only know a part of who we are. They know we offer education in Trades and Apprenticeship training, but don't know about the range of programs offered through our four pillars, they don't know that NAIT does applied research involvement, and they don't know enough about our partnerships and close ties to industry. Specific strategies following from the research will be presented and endorsed at future board meetings.

**ACTON: Provide a yearly update on the NAIT's Brand strategy, and progress on this strategy.**

b) Engaging the Aboriginal Community (George Andrews)

George Andrews provided an overview of Engaging the Aboriginal Community. George advised that the Aboriginal are the fastest growing segment of Canada's population and will account for 1 in 5 young Albertans by 2015. NAIT's Encana Aboriginal Student Centre opened in September 2005 which provides encouragement and support, a community gathering place for both Aboriginal and non-Aboriginal students, helps students transition smoothly into a role of a post-secondary student, and acts as a liaison between students and departments at NAIT. The Aboriginal Alumni Chapter supports current students through shared experience and alumni pride. Over 100 scholarships and bursaries are available totaling over \$250,000 annually are available to Aboriginal students and over 15 organizations have scholarships and/or bursaries designated to Aboriginal students. Student planning, Aboriginal Youth Leadership Program, Prospective Aboriginal Youth (PAY) Program, NAIT in Motion (2 self contained Mobile Education Units that bring training to communities in Western and Northern Canada) and the Mobile Water & Wastewater Technician Program are some of the initiatives NAIT is involved in to support Aboriginal students. External opportunities include the Senator Thelma Chalifoux Award and the Rupertsland Institute (MNA).

**5. Schedule**

**6. Correspondence**

**7. Board Member Contact List**

**8. Next Board Meeting**

**Board Retreat – Friday, February 24 & Saturday, February 25, 2012**

**Next Board Meeting - Monday, May 7, 2012**

**9. Adjournment**

***Moved by Allan Mah that the meeting be adjourned at 5:58 pm.***

***Carried***