



NORTHERN ALBERTA INSTITUTE OF TECHNOLOGY

Minutes of the One hundred thirtieth regular meeting of the **Board of Governors**

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

Members Present:	James Cumming Larry Spagnolo (via teleconference) Darcy Corcoran (via teleconference) Kevin Nabholz (via teleconference)	Dr. Glenn Feltham Jeff Bailey Keith Meagher	Syed Haq Allan Mah Mark Ohe
Recorder:	Corie Phillips		
Others Present:	Dr. Ray Block Heather Murray	Lara McClelland Terry Sulyma	Dr. Neil Fassina Thomas Djurfors
Regrets:	Kerry Brown Teagan Gahler Brent Hesje	Diane Brickner Daryn Rainer Randy McLeod	George Andrews Jeff Fitzner

1. Call to Order

a) Approval of Agenda

Glenn requested the agenda be revised to read Tab 4. Informing a New Funding Model for Post-Secondary Education in Alberta.

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

Carried

b) Approval of Minutes of February 4, 2013

Moved by Keith Meagher that the minutes of February 4, 2013 be accepted as presented.

Carried

c) Business Arising from Minutes

Enrolment Pressure Information (Glenn Feltham)

Glenn provided a few specific points in addition to the data Lara provided in her presentation at the Board retreat as follows:

- Applications continue to grow.
- The average age of applicants is 24 years old.
- Almost half of the students had prior postsecondary and 26% had prior credentials.
- The enrolment trend is similar to other polytechnics.

James recognized the contributions to the Board from Don Metz who has resigned effective

immediately due to other commitments. Don will be officially recognized in December at the Festive Dinner.

2. NAIT Executive Reports

a) Office of the President and CEO

Glenn Feltham provided an overview of his report as follows:

- He thanked members for their input and attendance at the Board retreat.
- Although there are significant financial challenges, it is also a period of great opportunity.
 - CAT and the Airport Lands will allow us to expand to meet Alberta's emerging needs for polytechnic education.
 - System is evolving to place greater emphasis and recognition on the nature of education we provide.
 - In the times of significant change and pressure, Glenn acknowledged the work of the Executive, President's Council, and the broader leadership of NAIT and stated he is proud of everyone working together toward a common purpose for the betterment of NAIT.
- Activities focused on six areas including capacity, financial sustainability, redefining postsecondary in Alberta, letter of expectation, advocacy and succession:
 - Capacity (CAT and Airport Lands)
 - March 7th budget announced funding for CAT – wonderful news, project most important capital project in NAIT's history and is critical to meet the current and emerging needs of Alberta for polytechnic education.
 - Airport lands – continue to meet with the Ministry and City of Edmonton
 - Financial sustainability
 - A 7.3% reduction in our Campus Alberta grant was announced in the March 7th provincial budget which results in significant challenges for NAIT both in the short and longer term. Processes have been put in place for making decisions, including a financial taskforce led by Jeff Dumont.
 - Redefining Postsecondary in Alberta
 - Discussions about the future direction of post-secondary education and Campus Alberta are continuing with a goal to try to map a collective way forward. This includes various meetings with government, post-secondary presidents and the representatives of the six sectors over the last month.
 - Letter of Expectation
 - Expectations highlighted are consistent with the direction set in NAIT 2021 including working with industry, applied research and commercialization, learner pathways, and supporting programs in demand by employers (labour market demand) and students.
 - The letters will be revised to focus on the expectations for the system, expectations for the sector, and expectations specific to the institution.
 - Advocacy
 - Been actively involved with all three levels of government.

- Succession
 - Provost and Vice President Academic search committee will conduct interviews next week. There are three very strong candidates.
 - Dean of Trades, Peter Lawlor, will be taking on the Presidency of Cambrian College in Sudbury. We will likely have an acting Dean for a year (Associate Dean).
- Items of Interest
 - Top Employer for the second straight year – recognized by Mediacorp Canada as one of Alberta's top employers (Alberta Top 60). The reasons for the selection relate broadly to how we live our values and our role in the community.
 - Employee initiatives including expansion of benefits and credential enhancement program.
 - NAIT Athletics had their most successful year ever.
 - Alison Lewis received a prestigious award, Society of Teaching and Learning in Higher Education (STLHE) College Sector Educator Award.
 - Mike Meldrum was appointed as the Associate VP of Advancement and this is a very important hire particularly with an imminent capital campaign.

Glenn summarized the risk analysis:

- Risks reduced with the New Academic Model as we continue to move forward.
- Announcement of funding for CAT reduced our future capacity risks.
- Intermediate to longer term financial sustainability risks have increased significantly.

b) Provost and VP Academic

Glenn Feltham provided an overview of the report as Acting Provost and VP Academic as follows:

- New Academic Model is in progress, curriculum development is on track, self enrolment opened on April 29th and went great, kudos to all those institute wide that made this a success.
- Applied Research and Innovation – novaNAIT, NanoCARTS and the NAIT Shell Manufacturing Centre received a grant from Western Economic Diversification for approximately \$650,000 for the purchase of a an environmental chamber and 3F direct to metal printer for additive manufacturing.
- BBA and BTech Degrees have undergone an external review process by Campus Alberta Quality Council (CAQC).

c) VP Administration and CFO

Ray Block provided an overview of his report as follows:

- Ancillary services continue to be important to the NAIT student experience and to NAIT's bottom line. The Booster Juice was opened and has been well received by customers. – booster juice has exceeded projections
- Further to Glenn's report, NAIT received a 7.3% reduction to our Campus Alberta Grant and further reduction to our Infrastructure Maintenance Program (IMP). In

response to the reduction, the major maintenance for the upcoming year was reduced. Finance and Audit Committee will review the budget at their May 28th meeting.

- Collective bargaining with NASA has been underway since January 16, 2013 and AUPE has served notice to commence bargaining. The Human Resources Committee of the Board is scheduled to meet on June 13, 2013.
- Two initiatives were launched with the goal of reducing staffing costs in response to funding challenges including staff redundancies in accordance with the collective agreement procedures and a voluntary retirement incentive program, offering staff over the age of 55 with at least 10 years of continuous pensionable service, an incentive to retire.
- Andrew Smith has joined NAIT as Director, Occupational Health & Safety, effective April 1, 2013. Andy brings an extremely solid background in safety and leadership.
- Ross Wilson, Manager, Internal Audit has been hired and will join NAIT on June 24, 2013.
- All teams in Information Technology Services have been very busy preparing for the launch of Self Service enrolment for the New Academic Model which launched on April 29th.

ACTION: Ray to speak with Enterprise and Advanced Education at their next quarterly meeting about NAIT's Investment report.

d) VP External Relations and CDO

Glenn Feltham provided an overview of George's report in his absence as follows:

- Student Awards – scholarships and bursaries were distributed to 2,221 student recipients and 82 new scholarships and bursaries have been created to date.
- Corporate and International Training (CIT) - Brian Pardell and his team are doing a fantastic job.
- We are Essential – campaign launched to improve institutional brand positioning and to support fund development initiatives, multi-media channel image campaign strategy and tactical plan as part of a three-year brand strategy. Kudos was provided to Susan Cline and her team for their great work on the campaign.
- Provided kudos to Thomas Djurfors in his continued advocacy in getting funding for CAT.

e) Chief Strategy Officer

Lara McClelland provided an overview of her report as follows:

- Comprehensive Institutional Plan – an internal task team is supporting the development of this year's Comprehensive Institutional Plan (CIP) which reports to the provincial government and its stakeholders on the business priorities, research agenda, academic plan and financial reports of the institution. The CIP is due June 30, 2013 and will be circulated to the Board of Governors for review in late-May and mid-June, respectively.
- Academic Development Fund – money being reallocated from the fund into general reserves due to the forecasted deficit in 2013/14.
- Appropriate Program Growth – Ministry of Enterprise and Advanced Education is reviewing their forecasts on short term employment growth to understand areas of labor demand. NAIT needs to be in a position to identify programs for expansion with a full-costing on a per student basis.
- Application and Enrolment – compared to the same time last year, NAIT is experiencing an overall increase in applications with over 2,700 more applicants received so far this

year.

3. Committee Reports

3.1 Academic Council (Glenn Feltham)

a) Minutes of March 12, 2013

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

Carried

b) Minutes of April 16, 2013

Moved by Dr. Glenn Feltham that the Academic Council meeting minutes of April 16, 2013 be accepted as information.

Carried

3.2 Campus Development Committee (Kevin Nabholz)

a) Minutes of April 16, 2013

Kevin Nabholz provided an update on the minutes as follows:

- CAT Update – pleased the provincial government has approved funding for the project, preliminary schedule is to start site work in June and have substantial completion by April 2016. A CAT Oversight Committee has been established to provide oversight and recommendations to NAIT's Executive Committee. The committee supported administration in looking at including food services, interim financing costs, internal costs and the pedway to the parkade.
- Facilities Management & Development Update – Boreal Research Project is proceeding and the construction contract has been awarded to Chandos, substantial completion expected by August 2013. New NAIT logo installed on the activities centre on February 13th and has garnered positive comments. The city is continuing with LRT construction, activities impacting NAIT will be carried out in the 2013 construction season, expected to be in service in the spring of 2014.
- NAIT has signed a lease for the Western Canadian Hardware Building (formerly SAIT RV) to accommodate the expansion of the insulator and sheet metal trades.

Moved by Kevin Nabholz that Campus Development Committee meeting minutes of April 16, 2013 be accepted as information.

Carried

b) Naming Grids and Donor Recognitions

Moved by Kevin Nabholz that the Board of Governors approve the addition of the following to NAIT's naming grids:

NAIT – Main Campus –

GIFT LEVEL	NAMING OPPORTUNITY
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\$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.

Carried

Moved by Kevin Nabholz that the Board of Governors approve the donor recognition as follows:

NAIT Centre for Heavy Equipment (A)

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

NAIT Sandvik Coromant Centre for Machinist Technologies (N)

Laboratory (N118; 10 year term) – McCoy Corporation (\$500,000 cash)

Carried

3.3 Executive Committee (James Cumming)

- a) Minutes of February 12, 2013

Moved by James Cumming that the Executive Committee meeting minutes of February 12, 2013 be accepted as information.

Carried

3.4 External Relations Committee (Larry Spagnolo)

- a) Minutes of April 15, 2013

Larry provided an overview of the minutes as follows:

- Prime focus was the lead up to and the eventual release of both the Provincial (March 7th) and federal (March 21st) budgets.
- Provincial government announcement of \$200 million in funding directed to NAIT's Centre for Applied Technologies (CAT). CAT is the largest and most important capital project we have ever undertaken.
- Provincial government also announced a 7.3% reduction to its Campus Alberta grant.
- Provincial government also announced a \$2 million cut to NAIT's Infrastructure and Maintenance grant.
- Federal budget – big innovation is the creation of the Canada Job Grant which will directly connect skills training with employers and jobs for Canadians and will transform the Labour Market Agreement and will require matching from employers as well as provinces and territories.
- Ministry of Enterprise and Advanced Education issued Letters of Expectation to each of the post-secondary institutions. To garner feedback, Glenn sent emails to Board members and Alumni and held five town-hall meetings with staff all requesting feedback on the letter of expectation. Following further meetings with post-secondary institutions the letters will be revised to focus on three areas: expectations for the system as a whole, expectations for the sector, expectations for the

institution. The revised timeline for submission of the Letter of Expectation is September 2013.

- Advocacy and Branding advisory committees held their initial meetings, the fundraising committee has not yet met but key individuals have been identified to participate on the committee, led by Diane Brickner with CAT being a primary focus for the group.

Moved by Larry Spagnolo that the minutes of the External Relations Committee of April 15, 2013.

Carried

3.5 Finance & Audit Committee (James Cumming)

a) Minutes of April 25, 2013

James spoke on behalf of Kerry Brown and summarized the minutes:

- Audit Plans were presented by Tim Lamb, Principal from the Office of the Auditor General along with members of the audit team.
- There was no activity in the Strategic Investment Fund for the quarter as reported on the Consolidated Statement.

Moved by James Cumming that the minutes of the Finance and Audit Committee meeting of April 25, 2013 be accepted as information.

Carried

b) Appropriation of Reserves for CAT Building

James advised that to date, \$11.3M has been expended on the CAT project, with \$5.0M received from the province. On March 7, 2013, the provincial government announced approval of funding for CAT in the amount of \$200M. Further funding needs to be determined and it is proposed that these funds be obtained from a combination of a fundraising campaign and transferring previously appropriated funds for other purposes that are not currently needed. The remaining funds would then be appropriated from unrestricted net assets. These motions if approved will increase the appropriation for capital activities for the Centre for Applied technologies to \$67.792M.

Moved by Kevin Nabholz that the Board of Governors, that for the fiscal year ending June 30, 2013 the following appropriations be transferred:

- 1. The transfer of \$3.5 million from the funds previously appropriated for Capital Renewal;***
- 2. The transfer of \$.8 million from the funds previously appropriated for Parkade construction.***

Carried

Moved by Kevin Nabholz that the Board of Governors, that for the fiscal year ending June 30, 2013, the following appropriations be made from Unrestricted Net Assets to Internally Restricted Net Assets:

- 1. The appropriation of \$27.828 million from the Accumulated Excess of Revenue Over Expense.***
- 2. The appropriation of \$9.630 million from the Accumulated Net Unrealized Gain on Investments.***

Carried

- c) Appropriation of Reserves for Western Hog Exchange Building

James advised the members that the Western Hog Exchange has approached NAIT to see if NAIT is interested in purchasing their building at 10319 Princess Elizabeth Avenue, adjacent to NAIT's HR building. Appraisals have been completed and discussions will proceed in the future with the Board's approval. The purchase versus lease decision has been considered by both the Campus Development Committee and the Finance and Audit Committee and it has been determined that this is the preferred option.

Moved by James Cumming that the Board of Governors approve the appropriation of \$1.8 million from unrestricted net assets for the acquisition of the Western Hog Exchange Building subject to a satisfactory Phase 1 Environmental assessment.

Carried

- d) NAIT Investment Report for the Quarter Ended March 31, 2013

Moved by James Cumming that the investment report quarter ended March 31, 2013 be accepted as information.

Carried

- e) NAIT Financial Report for Quarter Ended March 31, 2013

Moved by James Cumming that the financial report quarter ended March 31, 2013 be accepted as information.

Carried

3.6 Foundation Trustees

- a) Minutes of April 25, 2013

Moved by James Cumming that the Foundation Trustees minutes of April 25, 2013 be accepted as information.

Carried

3.7 Governance Committee

- a) Minutes of April 12, 2013

Moved by James Cumming that the Governance Committee meeting minutes of April 12, 2013 be accepted as information.

Carried

- b) Safe Disclosure Policy

Thomas Djurfors and Heather Murray provided an overview of the policy as required by the Government of Alberta. The Government of Alberta introduced whistleblower legislation in the fall of 2012, making it imperative for the Alberta Public Service and provincial agencies, boards and commissions, post-secondary academic institutions, school boards and the health sector to comply by developing and implementing its own policies and guidelines. The legislation

is expected to come into force on June 1, 2013 and is intended to protect employees who make disclosure from the fear of reprisals and creates a process for the disclosure of wrongdoing.

Moved by James Cumming that the Safe Disclosure Policy be approved by the Board of Governors.

Carried

3.8 Human Resources Committee (James Cumming)

The committee has not met.

4. Informing a New Funding Model for Post-Secondary Education in Alberta

The Minister of Enterprise and Advanced Education has stated he wants to develop a new funding model for post-secondary education in Alberta. Glenn provided background for discussion on what a new funding model may look like.

Glenn believes that a new model should include two envelopes – an envelope reflecting the current system, and an envelope for strategic growth. Glenn advised he would be forwarding a document to Board members in the near future for feedback. Questions and comments were provided roundtable.

5. Schedules (2012/2013 & 2013/2014)

Provided for information purposes only.

6. Correspondence

Provided for information purposes only.

7. Board Member Contact List

Provided for information purposes only.

8. Next Board Meeting

Next Board Meeting – Tuesday, June 18, 2013

9. Adjournment

Moved by Allan Mah that the meeting be adjourned at 5:51 pm.

Carried