



UNIVERSITY OF ALBERTA

UNIVERSITY GOVERNANCE

Board of Governors Open Session Minutes

Friday, June 17, 2016
University of Alberta Council Chamber, 2-100 University Hall
8:00 AM - 12:00 PM

ATTENDEES:

Voting Members:

Michael Phair	Appointed Chair, General Public
Shenaz Jeraj	Appointed Vice-Chair, General Public
Dick Wilson	Appointed Vice-Chair, General Public
Faiza Billo	Appointed Member, Non-Academic Staff Representative (NASA Appointee)
Colin Champagne	Appointed Member, Undergraduate Student Representative to Board of Governors
David Cooper	Appointed Member, Academic Staff Representative (AASUA Appointee)
Sarah Ficko	Appointed Member, President, Graduate Students' Association
Jane Halford	Appointed Member, University of Alberta Alumni Association
Barry James	Appointed Member, University of Alberta Senate Representative
LeRoy Johnson	Appointed Member, General Public
Steven LePoole	Appointed Member, General Public
Raymond Muzyka	Appointed Member, General Public
Robert Parks	Appointed Member, University of Alberta Alumni Association Representative
Fahim Rahman	Appointed Member, President, Students' Union
Jeremy Richards	Appointed Member, Academic Staff Representative (General Faculties Council)
Douglas Stollery	Appointed Member, Chancellor, University of Alberta
Robert H. Teskey	Appointed Member, General Public
David Turpin	Appointed Member, President and Vice-Chancellor, University of Alberta

Non-Voting Officials Appointed by the President:

Lorne Babiuk	Vice-President (Research)
Phyllis Clark	Vice-President (Finance and Administration)
Steven Dew	Provost and Vice-President (Academic)
Marion Haggarty-France	University Secretary
Brad Hamdon	General Counsel
Don Hickey	Vice-President (Facilities and Operations)
Heather McCaw	Vice-President (Advancement)
Debra Pozega Osburn	Vice-President (University Relations)
Juli Zinken	Board Secretary and Manager of Board Services

Regrets:

James Heelan	Appointed Member, General Public
Wendy Rodgers	Deputy Provost
Nizar Somji	Appointed Member, General Public
Catherine Swindlehurst	Chief of Staff (President's Office)

Presenter(s):

David Lawson	Chair, Board Investment Committee
Rob Munro	Director, Environment, Health and Safety
Ron Ritter	Director, Treasury and Investment (Finance and Supply Management Services),

Staff:

Erin Plume, Assistant Board Secretary

OPENING SESSION

1. Chair's Session

Presenter(s): Michael Phair

1a. Call to Order and Confirmation of Quorum

Presenter(s): Michael Phair

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

1b. Approval of Open Session Agenda

Materials before members are contained in the official meeting file.

Presenter(s): Michael Phair

The motion was moved and seconded.

THAT the Board of Governors approve the Open Session agenda as presented.

CARRIED

1c. Conflict of Interest - Opportunity for Declaration

Presenter(s): Michael Phair

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. Mr James reminded members that he is Chair of the Audit Committee for the Province of Alberta and that the financial statements of the University are approved by this committee.

Seeing no further declarations, the Chair declared the question asked and answered.

1d. Chair's Remarks

Presenter(s): Michael Phair

The Chair welcomed members and guests and acknowledged all Indigenous peoples and the traditional lands on which the Board was gathered.

He offered a warm welcome especially to new Chancellor, Douglas Stollery, and congratulated Chancellor Stollery on his installation just two days before, noting that the Board was looking forward to working with the new Chancellor and benefiting from his wise counsel.

The Chair also welcomed members of a delegation from the University's Global Academic Leadership Development program, a program formed following a Memorandum of Understanding signed between the University of Alberta and the Chinese Scholarship Council in 2011, to provide leadership training to Chinese university administrators in Canada.

The Chair acknowledged Shenaz Jeraj, Don Hickey, and external Board committee member, Robert Borelli, for recently completing the Directors Education Program offered by the Institute of Corporate Directors and thanked them for their commitment to governance.

He then recognized the Board's outgoing and retired members, noting that the Board had held its annual recognition dinner the night before. He acknowledged in particular two members for whom this was their final Board meeting: Bob Teskey for his six and a half years of service as a public member, and Jane Halford, who served as alumni representative since 2013. Board members joined the Chair in thanking Mr Teskey and Ms Halford for their valuable contributions to the Board and its committees over the past several years.

The Chair informed the Board that Terry Danyluk, University of Alberta Golden Bears volleyball head coach, had just recently been inducted into the Edmonton Sports Hall of Fame and congratulated Mr Danyluk for the well-deserved honour.

Finally, the Chair expressed his gratitude to the university community for its efforts in coming together to support the Fort McMurray community, indicating that he had personally heard from as far away as Milwaukie about the greatheartedness of the city and the University.

2. Report of the President

Materials before members are contained in the official meeting file.

Presenter(s): David Turpin

Discussion:

In addition to his written report, Dr Turpin provided verbal points of interest to the Board on: the Douglas Goss Fund for Excellence (formerly the Board of Governors Fund for Excellence), informing the Board that he planned to allocate funds in alignment with priorities set by *For the Public Good*; and an update on the university's response to the Fort McMurray and Syrian refugee crises.

The President noted that this was likely the last Board of Governors' meeting for Don Hickey and Phyllis Clark, and led members in recognizing Mr Hickey and Ms Clark for their outstanding contributions to the University. He also congratulated the Board Chair for recently having a downtown park named after him in recognition of his contributions as city councillor.

The Board Chair thanked all university staff who had coordinated and participated in convocation over the last few weeks, noting the importance of convocation to a university. The President responded to a question from the Board regarding the number Syrian refugee scholarship recipients to date.

3. Approval of the Consent Agenda

Materials before members are contained in the official meeting file.

Presenter(s): Michael Phair

At the request of a member, the Chair removed Item 3gi - *University of Alberta Annual Report*, from the Consent Agenda.

Action Items

- 3a. Approval of the Open Session Minutes of May 13, 2016
- 3b. Approval of the Open Session Minutes of May 30, 2016
- 3c. Report of the Board Finance and Property Committee
- 3ci. Richard Husfloen Centre – Disposition of Land and Order in Council
- 3cii. Hiram Holdings Property – Acquisition of Land
- 3ciii. Fletcher Property – Rescission of Previous Motion and Acquisition of Lands
- 3civ. University of Alberta Students' Union 2016/2017 Operating / Referendum Fees
- 3d. Report of the Board Human Resources and Compensation Committee
- 3di. Board Human Resources and Compensation Committee Terms of Reference
- 3e. Report of the Human Resources and Compensation and Learning and Discovery Committees
- 3ei. Proposed new Copyright Regulations
- 3f. Report of the Board Learning and Discovery Committee
- 3fi. Proposal to establish the Department of Critical Care Medicine (Faculty of Medicine and Dentistry)
- 3g. Report of the University Relations Committee
- 3gi. University of Alberta Annual Report – *item removed*

Information Reports

- 3h. Report of the Audit Committee
- 3i. Report of the Finance and Property Committee
- 3j. Report of the Human Resources and Compensation Committee
- 3k. Report of the Learning and Discovery Committee
- 3l. Report of the University Relations Committee

Regular Reports

- 3m. Chancellor's Report
- 3n. Alumni Association
- 3o. Students' Union
- 3p. Graduate Students' Association
- 3q. Association of Academic Staff
- 3r. Non-Academic Staff Association
- 3s. General Faculties Council
- 3t. Board Chair and Board Members Activity Report

The motion was moved and seconded.

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

CARRIED

ACTION ITEMS

3g. Report of the University Relations Committee

Presenter(s): Robert H Teskey

3gi. University of Alberta Annual Report to the Government of Alberta

Materials before members are contained in the official meeting file.

Presenter(s): Phyllis Clark

Purpose of the Proposal: To provide the Board with the draft Annual Report, a requirement of the Government of Alberta, prepared in accordance with provincial guidelines and reports on the university's Comprehensive Institutional Plan and accomplishments during the period of April 1, 2015 to March 31, 2016.

Discussion:

A Board member raised a question regarding the revenue over expenditures chart on page 35 of the annual report, expressing concern that the sources of revenue listed are fixed and unlikely to increase but that expenses are likely to keep increasing. He questioned the financial sustainability of this model and asked administration what plan was in place to resolve this issue.

President Turpin indicated that the only option at this point was a decline in the number of people the university employs, and Dr Dew reminded members that while the university had been considering expanding revenue opportunities, one of the opportunities is currently under review by the Government upon the recommendation of the Auditor General of Alberta.

Members then engaged in discussion regarding the university's resources and potential solutions to the funding model, expressing the following: that faculty renewal is important; that if the university is not funded properly today, it won't have the resources to secure star faculty members of the future; that demands from various stakeholder groups must take into consideration the university's financial position; that cutting positions is not a sustainable approach; that it is challenging to attract donors in the current environment; the possibility of the university exploring, within the context of the institutional strategic plan, structural solutions to the structural deficit; that cuts to fulltime faculty will only hinder the research capability of a leading university; that operating costs will always be covered, but that government may never understand the importance and cost of higher education; and that additional funding will come if the university communicates that it serves an important public service fundamental to the well-being of society.

Dr Turpin responded to the various questions and concerns, noting that the university is working on various solutions including moving merit increases to faculties and departments rather than being controlled centrally, and developing alternative revenue streams. He indicated that structural solutions are complex and rarely successful, often diminishing the quality of student experience as the student to faculty ratio increases.

The President informed members of discussions among Alberta's comprehensive academic and research institutions to develop a position paper for government on innovation and the role of universities in economic and social diversification. The Board Chair expressed his support for the paper and suggested that there may be opportunity at a future Board University Relations Committee to discuss how the Board could provide input.

The motion was moved and seconded.

THAT the Board of Governors, on the recommendation of the Board University Relations Committee, approve and adopt the *University of Alberta 2015-2016 Annual Report* and empower the Associate Vice-President (Audit & Analysis) to make any editorial changes to the *Report*, as needed, as long as the changes do not have the force of policy.

CARRIED

4. Report of the Learning and Discovery Committee

Presenter(s): Shenaz Jeraj

4a. Institutional Strategic Plan: For the Public Good

Presenter(s): David Turpin; Steven Dew

Purpose of the Proposal: To establish a new strategic direction for the institution under the leadership of the President and Provost & Vice-President (Academic).

Discussion:

Dr Turpin introduced the item, noting that the Board had already seen the plan in its various draft forms and informing members that prior to coming to the Board for consideration, *For the Public Good* had been unanimously endorsed by General Faculties Council and the Board Learning and Discovery Committee.

He then reviewed the next steps in the process, including determining priorities, developing a set of qualitative and quantitative measures, and creating a transparent, effective, and sustainable annual institutional reporting process. He informed members that the territorial statement was the only outstanding component in the plan and was currently under development.

Dr Turpin responded to questions from Board members regarding the structure of reporting back to the Board on the determined metrics, plans to disseminate the plan to the community in an easily-consumable manner, plans to build in a process to regularly examine and review the plan's initiatives, how and when the President and Provost plan to activate the three immediate tasks listed on their memo to the community, how the President plans to maintain the momentum from the planning process, plans for qualitative measures, and how stakeholder groups will be consulted while the plan is animated.

Members expressed their support for *For the Public Good*, noting that the planning process had been thoughtful and inclusive and that students and staff could see themselves reflected in the plan. The President thanked Steven Dew, Anne Bailey, and Amy Dambrowitz and members of the Advisory Committee for their work on the plan over the past year.

The motion was moved and seconded.

THAT the Board of Governors, on the recommendation of the Board Learning and Discovery Committee and General Faculties Council, approve the Institutional Strategic Plan: *For the Public Good*, as set forth in Attachment 1, to be effective upon approval, and empower administration to make any editorial changes to the plan, as needed, as long as the changes do not have the force of policy.

CARRIED unanimously

5. Report of the Board Chair

Presenter(s): Michael Phair

5a. Committee Appointments

Presenter(s): Marion Haggarty-France; Michael Phair

Purpose of the Proposal: To consider revisions to the annual appointment roster to Board Committees.

Discussion:

The Chair presented his membership recommendations and noted that further changes would be necessary over the coming months as government appointments are made.

Mr Teskey declared a conflict of interest for this item and excused himself from the meeting while the Board considered the proposal.

The motion was moved and seconded.

THAT the Board of Governors, on the recommendation of the Board Chair, Mr Michael Phair, approve Board Committee appointments, as set forth in Attachment 1 to the agenda documentation.

CARRIED

Mr Teskey returned to the meeting at this time.

INFORMATION REPORTS

6. Report of the Investment Committee

Presenter(s): David Lawson

6a. Investment Committee Annual Report

Presenter(s): David Lawson; Ron Ritter

Purpose of the Proposal: For information/discussion.

Discussion:

At the invitation of the Board Chair, Mr David Lawson, Chair of the Board Investment Committee, reviewed the committee's report to the Board from its June meeting, noting that the Investment Committee manages roughly \$2 billion of investments. He indicated that the committee comprises dedicated, skilled and committed members and thanked Phyllis Clark and the administrative team for keeping them on track.

Mr Lawson reviewed highlights from the annual report, noting rates of return for the Unitized Endowment Pool (UEP) and non-endowed funds and stating that the fund's benchmark returned -4.4 percent, indicating UEP outperformance of 4.0 percent on a one year basis due to excellent management of funds during a rough market.

He informed the Board that the committee had engaged an external consultant to conduct an assessment of the University's investment management function against the best practices for funds of comparable size and that that review had concluded that it was a very well managed program with some recommendations for further growth.

In response to a question from the Board regarding whether the committee considers responsible investing and environmental criteria in their decisions, Mr Lawson indicated that responsible investing is a topic discussed regularly by the committee in terms of risk management and that investment managers are selected with those factors in mind, but that the committee welcomes guidance from the Board on this issue. Ms Clark indicated that the committee will be preparing a review of environmental, social and governance (ESG) investments to bring to the Board in the late fall.

7. Report of the Safety, Health and Environment Committee

Presenter(s): Steven LePoole

7a. Strategic and Tactical Health and Safety Initiatives

Presenter(s): Rob Munro

Purpose of the Proposal: For information/discussion.

Discussion:

Mr LePoole introduced the report, and reviewed the impetus of the strategic initiative tool created by Mr Munro and Mr Gordon Winkel, Vice-Chair of the Board Safety, Health and Environment Committee (BSHEC), to improve the structure of committee meetings in a way that allows for more meaningful conversation on strategic issues and initiatives.

Mr Munro provided the Board with an overview of the dashboard of environment, health and safety initiatives as categorized into strategic, tactical and program maintenance areas, noting that the intention is for BSHEC to use this dashboard at each meeting to focus attention on strategic initiatives, while also monitoring those initiatives that fall under the tactical and program maintenance categories.

Mr Munro responded to a question from a Board member regarding how this tool helps the committee become more proactive, indicating that the dashboard also lists risks and keeps members focused.

CLOSING SESSION

8. *Adjournment*

Presenter(s): Michael Phair

The Chair adjourned the Open Session at 9:45 a.m.