



The following Motions and Documents were considered by the Board of Governors during the Open Session of its Wednesday, December 10, 2014 meeting:

Agenda Title: **University of Alberta 2015-16 Tuition Fee Proposal**

APPROVED MOTION: THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee and the GFC Academic Planning Committee, approve a proposal from the University Administration for a general tuition fee increase of 2.2%, effective September 1, 2015 and as illustrated in the table below:

Undergraduate (Arts and Science) ^{a, b}	2014-15	2015-16	Change ^c	
			\$	%
Domestic (Arts and Science)	\$5,320.80	\$5,437.20	\$116.40	2.2%
Domestic Graduate Fees ^{a, b}	2014-15	2015-16	Change ^c	
			\$	%
Course Based Masters	\$3,744.72	\$3,826.80	\$82.08	2.2%
Thesis 919 ^d	\$2,335.92	\$2,387.28	\$ 51.36	2.2%
Thesis Based (Masters and PhD) ^{b, e}	\$2,805.72	\$2,867.40	\$ 61.68	2.2%

- (a) Values are based on a full-time per term and full time per year.
- (b) Excludes applicable market modifier and/or program specific differential fees.
- (c) Tuition increases are applied to the fee index. As such, the effective year over year percentage change on the overall full-time program may be below 2.2 percent.
- (d) Tuition applies to thesis students who were admitted to the program of study prior to Fall 2011 and are assessed the reduced thesis rate.
- (e) Tuition applies to thesis students who were admitted to the program of study beginning in Fall 2011 or later; this is based on an annual fee assessment (including spring/summer).

Final item: 4a.

Agenda Title: **University of Alberta 2015-2016 Program/Course Differential Fee and Market Modifier Fee Proposal**

APPROVED MOTION: THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee and the GFC Academic Planning Committee, approve a proposal from the University Administration for a fee increase to program differentials, course differentials, and market modifiers of 2.2%, effective September 1, 2015, for:

- a) Faculty of Law, Juris Doctor (JD) program;
- b) Faculty of Business, Master of Business Administration (MBA) program;
- c) Faculty of Medicine and Dentistry, Doctor of Medicine (MD) program;
- d) Faculty of Business, Undergraduate Business courses;
- e) Faculty of Engineering, Undergraduate Engineering courses;
- f) Faculty of Pharmaceutical Sciences, Pharmacy program; and
- g) Graduate Studies, Thesis Based,

as set out in the table below.

Program Differential ^c	2014-15	2015-16	Change ^a	
			\$	%
Juris Doctor (JD) Program ^b	\$4,545.60	\$4,645.60	\$100.00	2.2%
Master of Business Administration (MBA) Program	\$597.84	\$610.92	\$13.08	2.2%
Doctor of Medicine (MD) Program ^b	\$4,545.60	\$4,645.60	\$100.00	2.2%
Market Modifier ^{c, d}	2014-15	2015-16	Change ^a	
			\$	%
Undergraduate Business	\$209.78	\$214.38	\$4.60	2.2%
Undergraduate Engineering	\$177.36	\$181.24	\$3.88	2.2%
Undergraduate Pharmacy	\$404.16	\$413.04	\$8.88	2.2%
Graduate, Thesis Based ^e	\$856.68	\$875.52	\$18.84	2.2%

- (a) Tuition increases are applied to the fee index. As such, the effective year over year percentage change on the overall full-time program may be below 2.2 percent.
- (b) Program Fees - values are based on a full-time per term and full-time per year.
- (c) Values listed are per course, unless otherwise stated (assumes 3 units course weight)
- (d) A grand-parenting structure applies in each case to allow for the exemption of these fees, under specific conditions, for students registered prior to September 2011.
- (e) Graduate market modifier applies only to thesis students beginning their program of study in Fall 2011 or later, and is based on an annual fee assessment (including spring/summer).

Final item: 4b.

Agenda Title: **University of Alberta 2015-2016 International Tuition Fee Proposal**

APPROVED MOTION: THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee and the GFC Academic Planning Committee, approve a proposal from the University Administration for an increase to international tuition fees of 2.2%, effective September 1, 2015 and as illustrated in the table below.

General Tuition Fees:

Undergraduate (Arts and Science) ^{a, b}	2014-15	2015-16	Change ^c	
			\$	%
International, Base	\$5,320.80	\$5,437.20	\$116.40	2.2%
International, Differential	<u>\$14,324.40</u>	<u>\$14,638.80</u>	<u>\$314.40</u>	<u>2.2%</u>
Total, International	\$19,645.20	\$20,076.00	\$430.80	2.2%
Course Based Masters ^a	2014-15	2015-16	Change ^c	
			\$	%
International, Base Tuition	\$ 3,744.72	\$ 3,826.80	\$82.08	2.2%
International, Differential	<u>\$ 3,904.56</u>	<u>\$ 3,990.24</u>	<u>\$85.68</u>	<u>2.2%</u>
Total, International	\$ 7,649.28	\$ 7,817.04	\$167.76	2.2%
Thesis 919 ^{a, d}	2014-15	2015-16	Change ^c	
			\$	%
International, Base Tuition	\$2,335.92	\$2,387.28	\$51.36	2.2%
International, Differential	<u>\$2,436.36</u>	<u>\$2,489.96</u>	<u>\$ 53.60</u>	<u>2.2%</u>

Total, International	\$4,772.28	\$4,877.24	\$104.96	2.2%
Thesis Based Masters/PhD^{a, b, e}	2014-15	2015-16	Change^c	
			\$	%
International, Base Tuition	\$2,805.72	\$2,867.40	\$61.68	2.2%
Graduate Thesis Market Modifier	\$856.68	\$875.52	\$18.84	2.2%
International, Differential	<u>\$2,935.80</u>	<u>\$3,000.36</u>	<u>\$64.56</u>	<u>2.2%</u>
Total, International	\$6,598.20	\$6,743.28	\$145.08	2.2%

- (a) Values are based on full-time per year.
- (b) Excludes applicable market modifier and/or program specific differential fees, except for the graduate thesis market modifier, which is included above.
- (c) Tuition increases are applied to the fee index. As such, the effective year over year percentage change on the overall full-time program may be below 2.2 percent.
- (d) Tuition applies to thesis students who were admitted to the program of study prior to Fall 2011 and are assessed the reduced thesis rate.
- (e) Tuition applies to thesis students who were admitted to the program of study beginning in Fall 2011 or later; this is based on an annual fee assessment (including spring/summer).

Program Differential and Market Modifier Fees:

Program Differential^a	2014-15	2015-16	Change	
			\$	%
Juris Doctor (JD), base ^b	\$4,545.60	\$4,645.60	\$100.00	2.2%
Juris Doctor (JD), IDF on base ^b	<u>\$5,108.84</u>	<u>\$5,221.20</u>	<u>\$112.36</u>	<u>2.2%</u>
Total International JD Program Fee^b	\$9,654.44	\$9,866.80	\$212.36	2.2%
Master of Business Administration, Base	\$597.84	\$610.92	\$13.08	2.2%
MBA, IDF on Base	<u>\$671.88</u>	<u>\$686.64</u>	<u>\$14.76</u>	<u>2.2%</u>
Total International MBA Program Fee	\$1,269.72	\$1,297.56	\$27.84	2.2%
Market Modifier^a	2014-15	2015-16	Change	
			\$	%
Business, Base Market Modifier	\$209.78	\$214.38	\$4.60	2.2%
Business, IDF on Market Modifier	<u>\$564.64</u>	<u>\$577.06</u>	<u>\$12.42</u>	<u>2.2%</u>
Total, International	\$774.42	\$791.44	\$17.02	2.2%
Engineering, Base Market Modifier	\$177.36	\$181.24	\$3.88	2.2%
Engineering, IDF on Market Modifier	<u>\$477.48</u>	<u>\$487.96</u>	<u>\$10.48</u>	<u>2.2%</u>
Total, International	\$654.84	\$669.20	\$14.36	2.2%
Pharmacy, Base Market Modifier	\$404.16	\$413.04	\$8.88	2.2%
Pharmacy, IDF Market Modifier	<u>\$1,087.92</u>	<u>\$1,111.80</u>	<u>\$23.88</u>	<u>2.2%</u>
Total, International	\$1,492.08	\$1,524.84	\$32.76	2.2%

- (a) Values listed are per course, unless otherwise stated (assumes 3 units course weight).
- (b) Program Fees - values are based on a full-time per term and full-time per year.

Final item: 4c.

Agenda Title: **2015-2016 Residence Rate Proposal**

APPROVED MOTION: THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee, approve the 2015-2016 Residence Rental Rate Proposal as set forth in Attachment 1, effective May 1, 2015.

Final item: 4d.

Agenda Title: **Research and Collections Resource Facility (RCRF) - South Campus: Capital Expenditure Authorization Request (CEAR)**

APPROVED MOTION: THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee, approve an expenditure of thirty million dollars (\$30,000,000.00) in Canadian funds for a total project cost of thirty million dollars (\$30,000,000.00), for the design and construction of the Research and Collections Resource Facility (RCRF) – South Campus.

Final item: 4e.

Agenda Title: **Research and Collections Resource Facility (RCRF) - South Campus: Borrowing Resolution and Order in Council**

APPROVED MOTION: THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee:

- a) execute a Borrowing Resolution requesting approval of debt financing for the design and construction of the Research and Collections Resource Facility (RCRF) – South Campus project for a total borrowing amount not to exceed thirty million dollars (\$30,000,000.00) in Canadian funds for a term of not more than twenty-five (25) years at an interest rate of not more than five percent (5.0%); and
- b) make application to the Minister of Infrastructure for the required approval of the Lieutenant Governor in Council.

Final item: 4f.

Agenda Title: **Internal Loan Policy**

APPROVED MOTION: THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee, approve the proposed changes to the UAPPOL Internal Loan Policy, as submitted by the Office of the Vice-President (Finance and Administration) and as set forth in Attachment 1, to take effect upon final approval.

Final item: 4g.

Agenda Title: **Chemical and Materials Engineering Building (CMEB): Supplemental Capital Expenditure Authorization Request (CEAR)**

APPROVED MOTION: THAT the Board of Governors approve a Supplemental Capital Expenditure Authorization Request (CEAR) of seven million dollars (\$7,000,000.00) in Canadian funds for a total revised project cost of twenty-four million dollars (\$24,000,000.00) for the construction of levels 2, 3 and 7 within the Chemical and Materials Engineering Building (CMEB).

Final item: 4h.

Agenda Title: **Unitized Endowment Pool (UEP) Spending Policy**

APPROVED MOTION: THAT the Board of Governors, on the recommendation of the Board Investment Committee, approve the revised Unitized Endowment Pool Spending Policy, as set forth in Attachment 1 to the agenda documentation.

Final item: 5a.

Agenda Title: **Board Safety, Health and Environment Committee Terms of Reference**

APPROVED MOTION: 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.

Final item: 6a.

Agenda Title: **Committee Appointments**

APPROVED MOTION: THAT the Board of Governors, on the recommendation of the Board Chair, Mr Douglas Goss, approve Board Committee appointments, as set forth in Attachment 1 to the agenda documentation.

Final item: 7a.

OUTLINE OF ISSUE

 Agenda Title: **University of Alberta 2015-2016 General Tuition Fee Proposal**

Motion: THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee and the GFC Academic Planning Committee, approve a proposal from the University Administration for a general tuition fee increase of 2.2%, effective September 1, 2015 and as illustrated in the table below.

Undergraduate (Arts and Science) ^{a, b}	2014-15	2015-16	Change ^c	
			\$	%
Domestic (Arts and Science)	\$5,320.80	\$5,437.20	\$116.40	2.2%
Domestic Graduate Fees ^{a, b}	2014-15	2015-16	Change ^c	
			\$	%
Course Based Masters	\$3,744.72	\$3,826.80	\$82.08	2.2%
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Thesis Based (Masters and PhD) ^{b, e}	\$2,805.72	\$2,867.40	\$ 61.68	2.2%

- (a) Values are based on a full-time per term and full time per year.
- (b) Excludes applicable market modifier and/or program specific differential fees.
- (c) Tuition increases are applied to the fee index. As such, the effective year over year percentage change on the overall full-time program may be below 2.2 percent.
- (d) Tuition applies to thesis students who were admitted to the program of study prior to Fall 2011 and are assessed the reduced thesis rate.
- (e) Tuition applies to thesis students who were admitted to the program of study beginning in Fall 2011 or later; this is based on an annual fee assessment (including spring/summer).

Item

Action Requested	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Recommendation <input type="checkbox"/> Discussion/Advice <input type="checkbox"/> Information
Proposed by	Provost and Vice-President (Academic)
Presenters	Phyllis Clark, Vice-President (Finance and Administration); Olive Yonge, Acting Provost and Vice-President (Academic)
Subject	Tuition for 2015-2016

Details

Responsibility	Provost and Vice-President (Academic).
The Purpose of the Proposal is (please be specific)	To set tuition fees for the 2015-2016 academic year.
The Impact of the Proposal is	See 'Purpose'.
Replaces/Revises (eg, policies, resolutions)	Tuition proposal set by the Board of Governors on December 13, 2013 for September, 2014.
Timeline/Implementation Date	September, 2015.
Estimated Cost	N/A
Sources of Funding	N/A
Notes	N/A

Alignment/Compliance

Alignment with Guiding Documents	University of Alberta Comprehensive Institutional Plan (CIP); <i>Dare to Discover, Dare to Deliver</i>
Compliance with Legislation, Policy and/or Procedure Relevant to the Proposal (please quote legislation and	1. Ministerial Letter Regarding the New Tuition Fees Regulation: A letter to the President, University of Alberta, dated September 10, 2014, from the Ministry of Innovation and Advanced Education states that: "In accordance with the Public Post-secondary Institutions'

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<p>include identifying section numbers)</p>	<p>Tuition Fee Regulation, the maximum allowable weighted average tuition fee increase across the entire institution for 2015/16 shall not exceed 2.2 per cent.”</p> <p>2. <i>Post-Secondary Learning Act (PSLA)</i>, Sections 61(1) and 61(2)(a):</p> <p>“61(1) The board of a public post-secondary institution shall set the tuition fees to be paid by students of the public post-secondary institution.</p> <p>61(2)The tuition fees under subsection (1) for all public post-secondary institutions other than Banff Centre</p> <p>(a) must be set in accordance with the regulations[.] [...]”</p> <p>3. <i>PSLA Section 26(1)(o)</i> states:</p> <p>“Powers of general faculties council</p> <p>26(1) Subject to the authority of the board, a general faculties council is responsible for the academic affairs of the university and, without restricting the generality of the foregoing, has the authority to</p> <p>(o) make recommendations to the board with respect to affiliation with other institutions, academic planning, campus planning, a building program, the budget, the regulation of residences and dining halls, procedures in respect of appointments, promotions, salaries, tenure and dismissals, and any other matters considered by the general faculties council to be of interest to the university [...]”</p> <p>On the line-by-line <u>budget</u>, including consideration of matters related to tuition, GFC has delegated this responsibility to its senior standing committee, the GFC Academic Planning Committee (APC), as noted in the following.</p> <p>4. <i>GFC Academic Planning Committee (APC) Terms of Reference (Mandate - Section 3.4(b)):</i></p> <p>“APC is responsible for making recommendations to GFC and/or to the Board of Governors concerning policy matters and action matters with respect to the following: [. . .]</p> <p>4. <i>Budget Matters</i></p> <p>To recommend to the Board of Governors on the annual budget, excluding budgets for ancillary units. [...]”</p> <p>5. <i>Board Finance and Property (BFPC) Terms of Reference (Section 3(d)):</i></p> <p>“3. Without limiting the generality of the foregoing, the Committee shall: [...]</p> <p>d) review and recommend to the Board tuition and other like fees[.]”</p>
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Routing (Include meeting dates)	
<p>Consultative Route (parties who have seen the proposal and in what capacity)</p>	<p>President’s Executive Committee (Operations) – October 30, 2014 (for endorsement)</p>

Item No. 4a

Approval Route (Governance) (including meeting dates)	GFC Academic Planning Committee – November 12, 2014 (for recommendation); Board Finance and Property Committee – November 25, 2014 (for recommendation); Board of Governors – December 10, 2014 (for final approval)
Final Approver	Board of Governors

Attachments:

1. University of Alberta Tuition Proposal, 2015-2016 (4 pages)
2. Letter from the Ministry of Innovation and Advanced Education to the President, University of Alberta (1 page)

Prepared by: Ray Wong, Director, Resource Planning, ray.wong@ualberta.ca, with assistance from University Governance



University of Alberta
Tuition Proposal, 2015-16

TUITION POLICY

Under the provincial *Public Post-Secondary Institutions' Tuition Fees Regulation*, annual tuition increases are tied to the Alberta Consumer Price Index (CPI) based on average monthly increases from July to June. For 2015-16, Alberta Ministry of Enterprise and Advanced Education calculated the maximum allowable tuition increase to be 2.2 percent. The regulation does not apply to international differential fees or surcharges assessed to individuals who are not Canadian citizens or permanent residents of Canada.

THE BUDGET CONTEXT

Tuition fee revenue is integral to the university's continued vitality and success. It is the second largest source of unrestricted operating funds and represents approximately 31 percent of total operating revenues.

Despite the governments' decision to begin reinvesting in postsecondary education, in late 2013-14, the University of Alberta continues to face significant budget challenges. In 2014-2015 the government did not increase the grant and it is uncertain whether the university can expect a base grant increase in 2015-16.

The university continues to face challenges in balancing limited growth in public funding in operating revenue against rising investment costs for teaching and research (faculty, staff and facilities). With shifting public funding models and the new financial realities the University of Alberta must continue seek and maximize multiple revenue sources in supporting its core mission.

TUITION PROPOSAL

It is recommended that all general, differential and market modifier tuition fees increase by 2.2 percent effective September 1, 2015. In addition, consistent with the University of Alberta's principle that international students pay the full cost of their education, it is recommended that international tuition (base plus differential) also increase by 2.2 percent. Details of the proposal are outlined below.

For illustrative purposes, the details of the proposal are outlined below.

1) General Tuition Fee Proposal

Undergraduate (Arts and Science) ^{a, b}	2014-15	2015-16	Change ^c	
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Domestic (Arts and Science)	\$5,320.80	\$5,437.20	\$116.40	2.2%
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(a) Values are based on a full-time per term and full time per year.

(b) Excludes applicable market modifier and/or program specific differential fees.

(c) Tuition increases are applied to the fee index. As such, the effective year over year percentage change on the overall full-time program may be below 2.2 percent.

(d) Tuition applies to thesis students who were admitted to the program of study prior to Fall 2011 and are assessed the reduced thesis rate.

(e) Tuition applies to thesis students who were admitted to the program of study beginning in Fall 2011 or later; this is based on an annual fee assessment (including spring/summer).

2) Program Differential and Market Modifier Fee Proposal

Program Differential ^c	2014-15	2015-16	Change ^a	
			\$	%
Juris Doctor (JD) Program ^b	\$4,545.60	\$4,645.60	\$100.00	2.2%
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- (e) Graduate market modifier applies only to thesis students beginning their program of study in Fall 2011 or later, and is based on an annual fee assessment (including spring/summer).

3) International Fees

a. International Fees: General Tuition Fee Proposal

Undergraduate (Arts and Science) ^{a, b}	2014-15	2015-16	Change ^c	
			\$	%
International, Base	\$ 5,320.80	\$ 5,437.20	\$116.40	2.2%
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b. International Fees: Program Differential and Market Modifier Fee Proposal

Program Differential ^a	2014-15	2015-16	Change	
			\$	%
Juris Doctor (JD), base ^b	\$4,545.60	\$4,645.60	\$100.00	2.2%
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Total, International	\$1,492.08	\$1,524.84	\$32.76	2.2%

(a) Values listed are per course, unless otherwise stated (assumes 3 units course weight)

(b) Program Fees - values are based on a full-time per term and full-time per year.

The University has put forward market modifier proposals to the Ministry of Innovation and Advanced Education and is waiting for approval for those modifiers for the following degrees:

- Master of Science in Physical Therapy (MScPT), in Faculty of Rehabilitation Medicine
- Master of Business Administration
- Juris Doctor in Law
- Bachelor of Science in Pharmacy

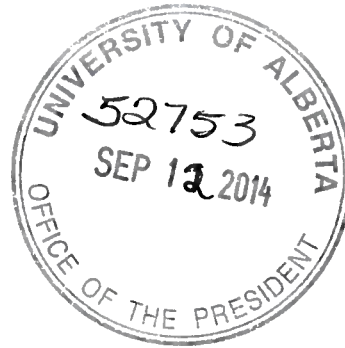
A market modifier proposal was also put forward for the following courses:

- Faculty of Arts – Economics Courses

AR 45081

September 10, 2014

Dr. Indira V. Samarasekera, O.C.
President and Vice-Chancellor
University of Alberta
2-24 South Academic Building
Edmonton, Alberta T6G 2G7



Dear Dr. Samarasekera:

In accordance with the Public Post-secondary Institutions' Tuition Fee Regulation, the maximum allowable weighted average tuition fee increase across the entire institution for 2015/2016 shall not exceed 2.2 per cent. The allowable increase is based on the change of the average monthly Alberta Consumer Price Index for the 12-month period ending June 30, 2014 over the average monthly change for the 12-month period ending June 30, 2013.

It is anticipated that the draft 2015/2016 Tuition Fee Compliance template will be sent out for processing in October, 2014. I am requesting that your institution complete these templates and submit your initial draft for review by December 2, 2014. Once the review is complete and all issues are addressed, your board's formal approval of the 2015/2016 tuition fees and your Vice-President's final sign off of the template is to be submitted by March 15, 2015.

If you have questions with regard to the above, please contact Mr. Sandy Henderson, Director, Accountability, Compliance and Data Collection by telephone at 780-427-9667 or by email at Sandy.Henderson@gov.ab.ca.

Thank you for your assistance in this matter.

Sincerely,

Peter Leclaire
Acting Assistant Deputy Minister
Advanced Learning and Community Partnerships

cc: Phyllis Clark, Vice-President, Finance and Administration and Chief Financial Officer
Dr. Carl Amrhein, Provost and Vice-President, Academic

OUTLINE OF ISSUE
Agenda Title: University of Alberta 2015-2016 Program/Course Differential Fee and Market Modifier Fee Proposal

Motion: THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee and the GFC Academic Planning Committee, approve a proposal from the University Administration for a fee increase to program differentials, course differentials, and market modifiers of 2.2%, effective September 1, 2015, for:

- a) Faculty of Law, Juris Doctor (JD) program;
- b) Faculty of Business, Master of Business Administration (MBA) program;
- c) Faculty of Medicine and Dentistry, Doctor of Medicine (MD) program;
- d) Faculty of Business, Undergraduate Business courses;
- e) Faculty of Engineering, Undergraduate Engineering courses;
- f) Faculty of Pharmaceutical Sciences, Pharmacy program; and
- g) Graduate Studies, Thesis Based,

as set out in the table below.

Program Differential ^c	2014-15	2015-16	Change ^a	
			\$	%
Juris Doctor (JD) Program ^b	\$4,545.60	\$4,645.60	\$100.00	2.2%
Master of Business Administration (MBA) Program	\$597.84	\$610.92	\$13.08	2.2%
Doctor of Medicine (MD) Program ^b	\$4,545.60	\$4,645.60	\$100.00	2.2%
Market Modifier ^{c, d}	2014-15	2015-16	Change ^a	
			\$	%
Undergraduate Business	\$209.78	\$214.38	\$4.60	2.2%
Undergraduate Engineering	\$177.36	\$181.24	\$3.88	2.2%
Undergraduate Pharmacy	\$404.16	\$413.04	\$8.88	2.2%
Graduate, Thesis Based ^e	\$856.68	\$875.52	\$18.84	2.2%

- (a) Tuition increases are applied to the fee index. As such, the effective year over year percentage change on the overall full-time program may be below 2.2 percent.
- (b) Program Fees - values are based on a full-time per term and full-time per year.
- (c) Values listed are per course, unless otherwise stated (assumes 3 units course weight)
- (d) A grand-parenting structure applies in each case to allow for the exemption of these fees, under specific conditions, for students registered prior to September 2011.
- (e) Graduate market modifier applies only to thesis students beginning their program of study in Fall 2011 or later, and is based on an annual fee assessment (including spring/summer).

Item

Action Requested	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Recommendation <input type="checkbox"/> Discussion/Advice <input type="checkbox"/> Information
Proposed by	Provost and Vice-President (Academic)
Presenters	Phyllis Clark, Vice-President (Finance and Administration); Olive Yonge, Acting Provost and Vice-President (Academic);
Subject	Program Differential and Market Modifier Fees for 2015-2016

Details

Responsibility	Provost and Vice-President (Academic).
The Purpose of the Proposal is (please be specific)	To set differential/market modifier fees for the 2015-2016 academic year.

Item No. 4b

The Impact of the Proposal is	See 'Purpose'.
Replaces/Revises (eg, policies, resolutions)	Program differential fees set by the Board of Governors on December 13, 2013 for September, 2014.
Timeline/Implementation Date	September, 2015.
Estimated Cost	N/A
Sources of Funding	N/A
Notes	N/A

Alignment/Compliance

Alignment with Guiding Documents	University of Alberta Comprehensive Institutional Plan (CIP); <i>Dare to Discover, Dare to Deliver</i>
Compliance with Legislation, Policy and/or Procedure Relevant to the Proposal (please <u>quote</u> legislation and include identifying section numbers)	<p>1. Ministerial Letter Regarding the New Tuition Fees Regulation: A letter to the President, University of Alberta, dated September 10, 2014, from the Ministry of Innovation and Advanced Education states that: "In accordance with the Public Post-secondary Institutions' Tuition Fee Regulation, the maximum allowable weighted average tuition fee increase across the entire institution for 2015/16 shall not exceed 2.2 per cent."</p> <p>2. Post-Secondary Learning Act (PSLA), Sections 61(1) and 61(2)(a): 61(1) The board of a public post-secondary institution shall set the tuition fees to be paid by students of the public post-secondary institution. 61(2) The tuition fees under subsection (1) for all public post-secondary institutions other than Banff Centre (a) must be set in accordance with the regulations[.] [...]"</p> <p>3. PSLA Section 26(1)(o) states: "Powers of general faculties council 26(1) Subject to the authority of the board, a general faculties council is responsible for the academic affairs of the university and, without restricting the generality of the foregoing, has the authority to (o) make recommendations to the board with respect to affiliation with other institutions, academic planning, campus planning, a building program, the budget, the regulation of residences and dining halls, procedures in respect of appointments, promotions, salaries, tenure and dismissals, and any other matters considered by the general faculties council to be of interest to the university [...]"</p> <p>On the line-by-line <u>budget</u>, including consideration of matters related to tuition, GFC has delegated this responsibility to its senior standing committee, the GFC Academic Planning Committee (APC), as noted in the following.</p> <p>4. GFC Academic Planning Committee (APC) Terms of Reference (Mandate - Section 3.4(b)): "APC is responsible for making recommendations to GFC and/or to the Board of Governors concerning policy matters and action matters with respect to the following: [. . .]</p>

Item No. 4b

	<p>4. Budget Matters To recommend to the Board of Governors on the annual budget, excluding budgets for ancillary units. [...].”</p> <p>5. Board Finance and Property (BFPC) Terms of Reference (Section 3(d)): “3. Without limiting the generality of the foregoing, the Committee shall: [...] d) review and recommend to the Board tuition and other like fees[.]”</p>
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Routing (Include meeting dates)

Consultative Route (parties who have seen the proposal and in what capacity)	President’s Executive Committee (Operations) – October 30, 2014 (for endorsement)
Approval Route (Governance) (including meeting dates)	GFC Academic Planning Committee (APC) – November 12, 2014 (for recommendation); Board Finance and Property Committee (BFPC) – November 25, 2014 (for recommendation); Board of Governors – December 10, 2014 (for final approval)
Final Approver	Board of Governors

Attachments: *The Attachments for this item are exactly the same as those included with Agenda Item #4a.*

1. University of Alberta Tuition Proposal, 2015-2016 (4 pages)
2. Letter from the Ministry of Innovation and Advanced Education to the President, University of Alberta (1 page)

Prepared by: Ray Wong, Director, Resource Planning, ray.wong@ualberta.ca, with assistance from University Governance

OUTLINE OF ISSUE

 Agenda Title: **University of Alberta 2015-2016 International Tuition Fee Proposal**

Motion: THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee and the GFC Academic Planning Committee, approve a proposal from the University Administration for an increase to international tuition fees of 2.2%, effective September 1, 2015 and as illustrated in the table below.

General Tuition Fees:

Undergraduate (Arts and Science) ^{a, b}	2014-15	2015-16	Change ^c	
			\$	%
International, Base	\$5,320.80	\$5,437.20	\$116.40	2.2%
International, Differential	<u>\$14,324.40</u>	<u>\$14,638.80</u>	<u>\$314.40</u>	<u>2.2%</u>
Total, International	\$19,645.20	\$20,076.00	\$430.80	2.2%
Course Based Masters ^a	2014-15	2015-16	Change ^c	
			\$	%
International, Base Tuition	\$ 3,744.72	\$ 3,826.80	\$82.08	2.2%
International, Differential	<u>\$ 3,904.56</u>	<u>\$ 3,990.24</u>	<u>\$85.68</u>	<u>2.2%</u>
Total, International	\$ 7,649.28	\$ 7,817.04	\$167.76	2.2%
Thesis 919 ^{a, d}	2014-15	2015-16	Change ^c	
			\$	%
International, Base Tuition	\$2,335.92	\$2,387.28	\$51.36	2.2%
International, Differential	<u>\$2,436.36</u>	<u>\$2,489.96</u>	<u>\$ 53.60</u>	<u>2.2%</u>
Total, International	\$4,772.28	\$4,877.24	\$104.96	2.2%
Thesis Based Masters/PhD ^{a, b, e}	2014-15	2015-16	Change ^c	
			\$	%
International, Base Tuition	\$2,805.72	\$2,867.40	\$61.68	2.2%
Graduate Thesis Market Modifier	\$856.68	\$875.52	\$18.84	2.2%
International, Differential	<u>\$2,935.80</u>	<u>\$3,000.36</u>	<u>\$64.56</u>	<u>2.2%</u>
Total, International	\$6,598.20	\$6,743.28	\$145.08	2.2%

- (a) Values are based on full-time per year.
- (b) Excludes applicable market modifier and/or program specific differential fees, except for the graduate thesis market modifier, which is included above.
- (c) Tuition increases are applied to the fee index. As such, the effective year over year percentage change on the overall full-time program may be below 2.2 percent.
- (d) Tuition applies to thesis students who were admitted to the program of study prior to Fall 2011 and are assessed the reduced thesis rate.
- (e) Tuition applies to thesis students who were admitted to the program of study beginning in Fall 2011 or later; this is based on an annual fee assessment (including spring/summer).

Program Differential and Market Modifier Fees:

Program Differential ^a	2014-15	2015-16	Change	
			\$	%
Juris Doctor (JD), base ^b	\$4,545.60	\$4,645.60	\$100.00	2.2%
Juris Doctor (JD), IDF on base ^b	<u>\$5,108.84</u>	<u>\$5,221.20</u>	<u>\$112.36</u>	<u>2.2%</u>
Total International JD Program Fee ^b	\$9,654.44	\$9,866.80	\$212.36	2.2%
Master of Business Administration, Base	\$597.84	\$610.92	\$13.08	2.2%
MBA, IDF on Base	<u>\$671.88</u>	<u>\$686.64</u>	<u>\$14.76</u>	<u>2.2%</u>
Total International MBA Program Fee	\$1,269.72	\$1,297.56	\$27.84	2.2%
Market Modifier ^a	2014-15	2015-16	Change	
			\$	%
Business, Base Market Modifier	\$209.78	\$214.38	\$4.60	2.2%
Business, IDF on Market Modifier	<u>\$564.64</u>	<u>\$577.06</u>	<u>\$12.42</u>	<u>2.2%</u>
Total, International	\$774.42	\$791.44	\$17.02	2.2%
Engineering, Base Market Modifier	\$177.36	\$181.24	\$3.88	2.2%
Engineering, IDF on Market Modifier	<u>\$477.48</u>	<u>\$487.96</u>	<u>\$10.48</u>	<u>2.2%</u>
Total, International	\$654.84	\$669.20	\$14.36	2.2%
Pharmacy, Base Market Modifier	\$404.16	\$413.04	\$8.88	2.2%
Pharmacy, IDF Market Modifier	<u>\$1,087.92</u>	<u>\$1,111.80</u>	<u>\$23.88</u>	<u>2.2%</u>
Total, International	\$1,492.08	\$1,524.84	\$32.76	2.2%

- (a) Values listed are per course, unless otherwise stated (assumes 3 units course weight).
 (b) Program Fees - values are based on a full-time per term and full-time per year.

Item

Action Requested	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Recommendation <input type="checkbox"/> Discussion/Advice <input type="checkbox"/> Information
Proposed by	Provost and Vice-President (Academic)
Presenters	Phyllis Clark, Vice-President (Finance and Administration); Olive Yonge, Acting Provost and Vice-President (Academic)
Subject	International Differential for 2015-2016

Details

Responsibility	Provost and Vice-President (Academic).
The Purpose of the Proposal is (please be specific)	To set the International Differential for the 2015-2016 academic year.
The Impact of the Proposal is	See 'Purpose'.
Replaces/Revises (eg, policies, resolutions)	Tuition proposal set by the Board of Governors on December 13, 2013 for September, 2014.
Timeline/Implementation Date	September, 2015.
Estimated Cost	N/A
Sources of Funding	N/A
Notes	N/A

Alignment/Compliance

Alignment with Guiding Documents	Comprehensive Institutional Plan; <i>Dare to Discover, Dare to Deliver</i>
Compliance with Legislation, Policy and/or Procedure Relevant to the Proposal (please quote legislation and	1. Ministerial Letter Regarding the New Tuition Fees Regulation: A letter to the President, University of Alberta, dated September 10, 2014, from the Ministry of Innovation and Advanced Education states

Item No. 4c

include identifying section numbers)

that: "In accordance with the Public Post-secondary Institutions' Tuition Fee Regulation, the maximum allowable weighted average tuition fee increase across the entire institution for 2015/16 shall not exceed 2.2 per cent."

2. Post-Secondary Learning Act (PSLA), Sections 61(1) and 61(2)(a):

61(1) The board of a public post-secondary institution shall set the tuition fees to be paid by students of the public post-secondary institution.

61(2) The tuition fees under subsection (1) for all public post-secondary institutions other than Banff Centre

(a) must be set in accordance with the regulations[.] [...]"

3. Public Post-Secondary Institution's Tuition Fees Regulation, Alberta Regulation 273/2006):

"Definition of tuition fees for Act purposes, etc.

2. For the purposes of the Act and this Regulation, "tuition fees" in respect of an institution means the following:

(a) fees identified in the institution's calendar or in a supplement to its calendar as tuition fees or fees for instruction for courses that are part of programs approved by the Minister under the Programs of Study Regulation (AR 91/2009) or for the purposes of the Student Financial Assistance Act, excluding the following: [...]

(v) any differential or surcharge in fees that the board of the institution may set for courses taken by individuals who are not Canadian citizens or permanent residents of Canada[.]"

4. PSLA Section 26(1)(o) states:

"Powers of general faculties council

26(1) Subject to the authority of the board, a general faculties council is responsible for the academic affairs of the university and, without restricting the generality of the foregoing, has the authority to

(o) make recommendations to the board with respect to affiliation with other institutions, academic planning, campus planning, a building program, the budget, the regulation of residences and dining halls, procedures in respect of appointments, promotions, salaries, tenure and dismissals, and any other matters considered by the general faculties council to be of interest to the university [...]"

On the line-by-line budget, including consideration of matters related to tuition, GFC has delegated this responsibility to its senior standing committee, the GFC Academic Planning Committee (APC), as noted in the following.

5. GFC Academic Planning Committee (APC) Terms of Reference (Mandate - Section 3.4(b)):

Item No. 4c

	<p>“APC is responsible for making recommendations to GFC and/or to the Board of Governors concerning policy matters and action matters with respect to the following: [. . .]</p> <p>4. Budget Matters To recommend to the Board of Governors on the annual budget, excluding budgets for ancillary units. [...].”</p> <p>6. Board Finance and Property (BFPC) Terms of Reference (Section 3(d)): “3. Without limiting the generality of the foregoing, the Committee shall: [...] d) review and recommend to the Board tuition and other like fees[.]”</p>
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Routing (Include meeting dates)

Consultative Route (parties who have seen the proposal and in what capacity)	President’s Executive Committee (Operations) – October 30, 2014 (for endorsement)
Approval Route (Governance) (including meeting dates)	GFC Academic Planning Committee – November 12, 2014 (for recommendation); Board Finance and Property Committee – November 25, 2014 (for recommendation); Board of Governors – December 10, 2014 (for final approval)
Final Approver	Board of Governors

Attachments: *The Attachments for this item are exactly the same as those included with Agenda Item #4a.*

1. University of Alberta Tuition Proposal, 2015-2016 (4 pages)
2. Letter from the Ministry of Innovation and Advanced Education to the President, University of Alberta (1 page)

Prepared by: Ray Wong, Director, Resource Planning, ray.wong@ualberta.ca, with assistance from University Governance

OUTLINE OF ISSUE

Agenda Title: **2015-2016 Residence Rental Rate Proposal**

Motion: THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee, approve the 2015-2016 Residence Rental Rate Proposal as set forth in Attachment 1, effective May 1, 2015.

Item

Action Requested	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Recommendation <input type="checkbox"/> Discussion/Advice <input type="checkbox"/> Information
Proposed by	Don Hickey, Vice-President (Facilities and Operations)
Presenter	Don Hickey, Vice-President (Facilities and Operations)
Subject	2015-2016 Residence Rental Rate Proposal

Details

Responsibility	Facilities and Operations
The Purpose of the Proposal is (please be specific)	To present the proposal for the 2015-2016 residence rental rate increases. A base increase of 2.30% and a weighted increase of 3.47% to select units, as set forth in Attachment 1.
The Impact of the Proposal is	Ancillary Services do not receive base operating or capital dollars to build and maintain the student residences. As per Board of Governors direction, Ancillary Services must operate the student residence as self-sustaining operations. As such, the financial proforma must reflect the full and true cost of replacement and renewal of their capital assets through operations and reserves, including the repayment of debt and related interest. In addition, the residences are subject to municipal property taxation.
Replaces/Revises	N/A
Timeline/Implementation Date	Effective May 1, 2015
Estimated Cost	N/A
Sources of Funding	N/A
Notes	<p>The Board Finance and Property Committee recommends to the Board of Governors a base rent increase of 2.30% with a total weighted average increase of 3.47% at the Edmonton and Camrose campuses for 2015-2016. The difference between the base and weighted increase (1.17%) is due to:</p> <ul style="list-style-type: none"> • The installation and ongoing operation of University Wireless Services (UWS) in HUB and East Campus Village (ECV) apartments. It is proposed that a \$19.95 monthly fee be included in the monthly rent for these properties. • A 5.0% premium on 4-month term contracts at HUB and ECV apartments. <p>NOTE: UWS fees and 4-month term premiums were undertaken at Lister Centre and I-House in 2014-15.</p> <ul style="list-style-type: none"> • Inclusion of the current separately-charged utilities fee into monthly rent at the Graduate Students' Residence. • A blended increase of 2.35% that amalgamates non-tuition CPI and Alberta Food CPI is proposed for Augustana's room and board program. • A 25% premium for newly-renovated, fully furnished suites at HUB. <p>Base increases are required in order to address operating costs and ongoing deferred maintenance.</p>

Item No. 4d

Alignment/Compliance

Alignment with Guiding Documents	Facilities and Operations, Ancillary Services' Business Plan and Budget, Residence Services Capital Reserve Strategy, University Academic Plan (Dare to Deliver)
Compliance with Legislation, Policy and/or Procedure Relevant to the Proposal (please <u>quote</u> legislation and include identifying section numbers)	<p>Board Finance and Property Committee (BFPC) Terms of Reference Sections 3 (d) and 4 (e) state:</p> <p>3. <u>MANDATE OF THE COMMITTEE</u></p> <p><i>Without limiting the generality of the foregoing, the Committee shall:</i></p> <p>(f) <i>review and recommend to the Board tuition and other like fees;</i></p> <p>4. <u>LIMITATIONS ON DELEGATION BY THE BOARD</u></p> <p><i>The general delegation of authority by the Board to the Committee shall be limited as set out in this paragraph. Notwithstanding the general delegation of authority to the Committee set out in paragraph 3, the Board shall:</i></p> <p>(e) <i>approve tuition and other like fees;</i></p>

Routing (Include meeting dates)

Consultative Route (parties who have seen the proposal and in what capacity)	<p>Residence Budget Advisory Committee (RBAC)</p> <ul style="list-style-type: none"> • September 3, 2014 • September 16, 2014 • October 1, 2014 • October 21, 2014 <p>President's Executive Committee – Operations (PEC-O)</p> <ul style="list-style-type: none"> • October 30, 2014
Approval Route (Governance) (including meeting dates)	<p>Board Finance and Property Committee (BFPC) (recommendation)</p> <ul style="list-style-type: none"> • November 25, 2014 <p>Board of Governors (BG) (approval)</p> <ul style="list-style-type: none"> • December 10, 2014
Final Approver	Board of Governors - December 10, 2014

Attachment:

1. Ancillary Services 2015-2016 Proposed Residence Rates (2 pages)

Prepared by:

Doug Dawson
Associate Vice-President
Ancillary Services
1-050 Lister Centre
Phone: 780.492.1421
Email: doug.dawson@ualberta.ca

Revised: 12/2/2014

Attachment 1

Ancillary Services 2015-2016 Proposed Residence Rates

2.30% base, 3.47% weighted average

		2014-2015 Rent	Proposed Rent 2015-2016	% Rent Incr	% UWS Incr	% Util Incr	Tot Incr
Campus Saint-Jean							
Single	8 mos	\$631	\$646	2.30%			2.30%*
Single	4 mos	\$667	\$682	2.30%			2.30%*
East Campus Village Apartments							
1 Bedroom	8 mos	\$971	\$1013	2.30%	2.05%		4.35% ¹
1 Bedroom	4 mos	\$971	\$1039	5.00%	2.05%		7.05% ²
2 Bedroom	8 mos	\$647	\$682	2.30%	3.08%		5.38% ¹
2 Bedroom	4 mos	\$647	\$699	5.00%	3.08%		8.08% ²
4 Bedroom	8 mos	\$501	\$532	2.30%	3.98%		6.28% ¹
4 Bedroom	4 mos	\$501	\$546	5.00%	3.98%		8.98% ²
IHouse							
Single/bath	8 mos	\$722	\$739	2.30%			2.30%*
Single/bath	4 mos	\$764	\$781	2.30%			2.30%*
HUB							
Bachelor	8 mos	\$738	\$775	2.30%	2.70%		5.00% ¹
Bachelor	4 mos	\$738	\$795	5.00%	2.70%		7.70% ²
Furnished Bach	8 mos	\$802	\$840	2.30%	2.49%		4.79% ¹
Furnished Bach	4 mos	\$802	\$862	5.00%	2.49%		7.49% ²
1 Bedroom	8 mos	\$971	\$1013	2.30%	2.05%		4.35% ¹
1 Bedroom	4 mos	\$971	\$1039	5.00%	2.05%		7.05% ²
2 Bedroom/person	8 mos	\$603	\$637	2.30%	3.31%		5.61% ¹
2 Bedroom/person	4 mos	\$603	\$653	5.00%	3.31%		8.31% ²
4 Bedroom/person	8 mos	\$438	\$468	2.30%	4.55%		6.85% ¹
4 Bedroom/person	4 mos	\$438	\$480	5.00%	4.55%		9.55% ²
2 Bdrm furn/reno	8 mos	\$603	\$788	27.30%	3.31%		30.61% ³
2 Bdrm furn/reno	4 mos	\$603	\$804	30.00%	3.31%		33.31% ⁴
4 Bdrm furn/reno	8 mos	\$438	\$578	27.30%	4.55%		31.85% ³
4 Bdrm furn/reno	4 mos	\$438	\$589	30.00%	4.55%		34.55% ⁴
Lister							
Single	8 mos	\$592	\$606	2.30%			2.30%*
Single	4 mos	\$676	\$692	2.30%			2.30%*
Double	8 mos	\$384	\$393	2.30%			2.30%*
Double	4 mos	\$422	\$432	2.30%			2.30%*
Single/bath	8 mos	\$704	\$720	2.30%			2.30%*
Single/bath	4 mos	\$746	\$763	2.30%			2.30%*
Michener Park							
Row House 2 Bdrm		\$837-\$909	\$856-\$930	2.30%			2.30%
Row House 3 Bdrm		\$1048-\$1105	\$1072-\$1130	2.30%			2.30%
2 Bdrm Walk-up		\$804-\$839	\$822-\$858	2.30%			2.30%
Vanier House		\$853-\$905	\$873-\$926	2.30%			2.30%
Newton Place							
Bachelor		\$825-\$893	\$844-\$914	2.30%			2.30%
1 Bedroom		\$1028-\$1107	\$1052-\$1132	2.30%			2.30%
2 Bedroom		\$1324-\$1420	\$1354-\$1453	2.30%			2.30%
ECV Houses							
Houses		\$431-\$1059	\$441-\$1083	2.30%			2.30%

¹Increase includes \$19.95 monthly charge for in-room wireless service.

²Increase includes wireless and 5% premium for 4 month term.

³Increase includes wireless and 25% reno/furnishing fee.

⁴Increase includes wireless, 5% premium for 4 month term and 25% reno/furnishing fee.

*Properties at which a wireless fee was assessed in 2014-15.

Attachment 1

Ancillary Services 2015-2016 Proposed Residence Rates

2.30% base, 3.47% weighted average

Graduate Student Residence							
Studio Suites		\$980	\$1018	3.00%		0.9%	3.90%
2 Bedroom		\$801	\$833	3.00%		1.00%	4.00%
Pinecrest and Tamarack Houses							
2 Bedroom/person		\$877	\$899	2.50%			2.50%
4 Bedroom/person		\$783	\$803	2.50%			2.50%
Infill Housing							
1 Bedroom		N/A	\$873	N/A	N/A		N/A
Augustana (Room & Board)		Rm & Board					
Single Rm 8 month		\$937	\$959	2.35%			2.35%
Double Rm 8 month		\$794	\$813	2.35%			2.35%
Single Rm 4 month		\$983	\$1006	2.35%			2.35%
Double Rm 4 month		\$834	\$854	2.35%			2.35%
WEIGHTED % INCR.							3.47%

¹Increase includes \$19.95 monthly charge for in-room wireless service.

²Increase includes wireless and 5% premium for 4 month term.

³Increase includes wireless and 25% reno/furnishing fee.

⁴ Increase includes wireless, 5% premium for 4 month term and 25% reno/furnishing fee.

*Properties at which a wireless fee was assessed in 2014-15.

Item No. 4e

OUTLINE OF ISSUE

Agenda Title: **Research and Collections Resource Facility (RCRF) – South Campus: Capital Expenditure Authorization Request (CEAR)**

Motion: THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee, approve an expenditure of thirty million dollars (\$30,000,000.00) in Canadian funds for a total project cost of thirty million dollars (\$30,000,000.00), for the design and construction of the Research and Collections Resource Facility (RCRF) – South Campus.

Item

Action Requested	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Recommendation <input type="checkbox"/> Discussion/Advice <input type="checkbox"/> Information
Proposed by	Don Hickey, Vice-President, Facilities and Operations
Presenter	Don Hickey, Vice-President, Facilities and Operations; Pat Jansen, Associate Vice President (Planning and Project Delivery), Facilities and Operations
Subject	Research and Collections Resource Facility (RCRF) – South Campus – Capital Expenditure Authorization Request (CEAR)

Details

Responsibility	Facilities and Operations
The Purpose of the Proposal is (please be specific)	The Books and Records Depository (BARD) is currently the facility that houses less frequently used library materials, research collections and University Archives. Given the current location, the building conditions and the lease expiring in 2017, the university is looking to find an alternate location for high density storage for research collections and the Archives.
The Impact of the Proposal is	The construction of a new, purpose-built facility on South Campus provides the required capacity including expansion space; the proper environment in which to store these materials; lower risk and in close proximity to our campuses. The proposed building could be expanded in the future for related or complimentary use occupancies.
Replaces/Revises (eg, policies, resolutions)	n/a
Timeline/Implementation Date	The project is anticipated to commence construction upon approval of borrowing and receipt of an Order In Council from the Government of Alberta and targeted to reach substantial completion in May 2017.
Estimated Cost	Total project cost is estimated at \$30,000,000.00.
Sources of Funding	Institutional Funds
Notes	Given the timeline required for the removal of the extensive collection at BARD, the intent would be to utilize the Federal Archives Building, located at 8707 – 51 Avenue, as an interim holding and sorting location, in effect delaying a decision regarding the future utilization or disposition of the Federal Archives Building until the RCRF is fully operational.

Alignment/Compliance

Alignment with Guiding Documents	Dare to Discover, Academic Plan (Dare to Deliver), Long Range Development Plan
Compliance with Legislation, Policy and/or Procedure Relevant to the Proposal	PSLA, Section 60 (1) (b) refers: <i>The Board of a public post-secondary institution shall develop, manage, and operate, alone or in co-operation with any person or organization, programs, services and facilities for the educational or cultural advancement of the people</i>

Item No. 4e

<p>(please quote legislation and include identifying section numbers)</p>	<p>of Alberta.</p> <p>BFPC Terms of Reference, Section 3) g states:</p> <p>3. MANDATE OF THE COMMITTEE <i>Except as provided in paragraph 4 and in the Board’s General Committee Terms of Reference, the Committee shall monitor, evaluate, advise and make decisions on behalf of the Board with respect to all strategic and significant financial and property matters and policies of the University. The Committee shall also consider any other matter delegated to the Committee by the Board.</i></p> <p><i>Without limiting the generality of the foregoing, the Committee shall:</i></p> <p><i>g) review and recommend to the Board original Capital Expenditure Authorization Requests or individual Supplemental CEARs greater than \$7 million or aggregate total CEAR and Supplemental CEARs up to, but not exceeding \$14 million.</i></p> <p>BFPC Terms of Reference, Section 4) c states:</p> <p>4. LIMITATIONS ON DELEGATION BY THE BOARD <i>The general delegation of authority by the Board to the Committee shall be limited as set out in this paragraph. Notwithstanding the general delegation of authority to the Committee set out in paragraph 3, the Board shall:</i></p> <p><i>(c) approve capital expenditures of more than \$7 million or expenditures which, when combined with other expenditures for the same project, would equal more than \$7 million;</i></p>
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Routing (Include meeting dates)

<p>Consultative Route (parties who have seen the proposal and in what capacity)</p>	<ul style="list-style-type: none"> • Vice-Provost & Chief Librarian • Vice-President, Facilities and Operations • President’s Executive Committee – Operational (PEC-O) – September 11, 2014 (<i>Agenda Item titled - BARD Fit-Out and Expansion</i>) • President’s Executive Committee – Operational (PEC-O) – October 30, 2014
<p>Approval Route (Governance) (including meeting dates)</p>	<p>Board Finance and Property Committee (BFPC) – November 25, 2014 (for recommendation)</p> <p>Board of Governors (BG) – December 10, 2014 (for approval)</p>
<p>Final Approver</p>	<p>Board of Governors</p>

Attachments

1. Opportunity Paper: Research and Collections Resource Facility (RCRF) – South Campus (14 pages)

Prepared by:

Todd Were, Director
 Project Management Office
 Facilities and Operations
 Telephone: 780-492-5525
 Email: twerre@ualberta.ca

Opportunity Paper: Research and Collections Resource Facility (RCRF) – South Campus

Problem / Opportunity

The current Book and Record Depository (BARD) is a cooperative library storage facility. Located approximately eight kms east of the main campus, at 50th Street and Sherwood Park Freeway, it was the first of its kind in Canada when it opened in February 1994. This facility provides high-density, low-cost storage for less frequently accessed library and archive materials belonging to the University of Alberta Libraries and is accessible to a number of post-secondary institutions, as well as external partners including Provincial and Federal government department libraries. The facility primarily stores books and journal volumes, but also has films, maps, audio discs, manuscripts, archives and other formats typically collected by research libraries.

The university's current BARD facility houses nearly 3.1 million print volumes, as well as maps, microfilm and the University Archives. The university archives have outgrown the capacity of the special holdings areas within the existing BARD facility, forcing them to be located in the book depository area. There is also a growing need to repurpose Rutherford Library to accommodate the learning needs of our students and this will result in the need to relocate an additional 500,000 volumes from this location to a storage facility. It is anticipated that a high-density storage facility that can accommodate 5.1 million print volumes plus our archives is required to accommodate growth projects over the next 20 years. Currently, the total insured value of our collections is in the order of \$750 million.

The current facility is a leased, non-purpose built building that no longer meets the needs of the university and its partners within Campus Alberta, other post-secondary institutions, and both Provincial and Federal governments. For example, more materials are expected as a direct result of the Government of Alberta's decision to close some of its facilities, such as the 107 Street Site Library, the Great West Life Site Library, and the TELUS Plaza North Tower Site Library. Notwithstanding the need for additional storage capacity, the building is a simple warehouse in need of repair, upgrades to the environmental controls, and is in immediate proximity to an active rail line that consistently hauls dangerous goods into and out of the city. Given that the current lease expires in 2017, the university embarked on a study to determine what the best long-term course of action would be: renew lease and look for a second site; renew lease and expand into existing facility; purchase buildings and renovate; lease completely new building; purchase completely new buildings; or purpose build a facility on South Campus.

This paper discusses the construction of a new, purpose-built facility on South Campus to provide the required capacity including expansion space; the proper environment in which to store these archives; lower risk (not near rail line, appropriate separations); and in close proximity to our campuses. The site development, as outlined in the Sector Plan, is such that the proposed building could be expanded in the future, for related or complimentary use occupancies. The purpose of this opportunity paper is to

outline the role of the current BARD within the post-secondary sector, Alberta, and Canada; the need and advantage of an expanded facility today; and the capital and operational funding requirements.

Project Scope/Objectives

Use of on-campus library space to house large collections of print material has markedly declined across North America as more material becomes available electronically. Given the limited space within on-campus libraries, the materials kept in these facilities must be actively sought by students. This project involves construction of a purpose-built facility of approximately 3,437 GSM suitable to house 5.1 million volumes (anticipated requirement to 2035) on South Campus in proximity to the LRT station and providing easy access to North Campus. The new facility will include all required environmental and retrieval systems expected in a modern records depository, would be expandable to accommodate future needs, as well as provide outstanding opportunities for academic activities. The building height would provide an approximately 40 feet of extra storage area.

Strategic Alignment

The current facility not only facilitates the need to store and retrieve material and publications for the University of Alberta, it also serves a consortium of partners within Campus Alberta, other post-secondary institutions, and both Provincial and Federal government.

Depository Facilities

Library Space Management has always required a balancing of spaces for library users and that of collections. The current challenge for the University of Alberta Libraries (UAL) is how to best manage space as collections become digital, while preserving and providing access to physical library collections at a reasonable cost. The most significant factor in the growth of the collections located at BARD in recent years has been a result of relocation of materials from across our campus libraries. This relocation of less accessed material has allowed for much needed repurposing of our libraries to meet the needs of today's students. Study and group project space has become a critical need for academic success.

In order to ensure efficient use of space, the university and its libraries must continue to ensure its policies for the keeping and storage of items is relevant, current and followed. While this is outside the capital scope of this project, it is important that all areas of the university continue to work closely together to ensure the right volume of material is maintained without having excessive storage space.

The university is very proud of its ranking by the Association of Research Libraries (ARL) and the Libraries are an important metric in world ranking of the University of Alberta. Library rankings are correlated to the total number of titles and volumes. The university takes a very prudent practice to minimize its volumes, but ensures that titles are maintained. To this end, the University regularly discards additional copies where there is no demand. The general requirement is that the university keep at least one title of every item – even if that item is in digital format. For example, the University of Alberta is a member of the Hathi Trust, a co-operative digital library. Its policies only permit access to their digital version of an in-copyright work if the institution's library owns at least one copy of the item in print.

University Of Alberta

As the site of the University Archives, BARD is currently the official repository for the permanently valuable records of the University of Alberta and its affiliated institutions. The holdings consist of material that is of continuing administrative, legal, or historical value. In addition to administrative and academic records, BARD houses University publications and the private papers of faculty, staff, students, alumni, and various university-related organizations. It also contains the records of many notable individuals and organizations relating to Alberta and federal politics, the oil sands, theatre, education, and western settlement, all of which feed research needs and interests.

A facility such as BARD allows the university to accept gifts-in-kind. These gifts contribute to the university in two ways: first, it provides a low cost means of retrospectively building our collections and maintains our top ranking; and second, it is a major source of collecting materials that are desired with no need to purchase them. In 2012-2013, gifts-in-kind accounted for approximately \$1,700,000 of appraised items.

NEOS Library Consortium and Council for Prairie and Pacific University Libraries (COPPUL) Consortium

There are two key consortia whose members borrow materials from, or contribute materials to, the University of Alberta Libraries' collections. Contributed materials are currently housed at BARD.

The NEOS Library Consortium is a multi-type library consortium, headquartered at the University of Alberta Libraries. The membership includes many of our Campus Alberta peers, as well as Alberta Government, Alberta Health Services, and Alberta Innovates. [See a complete listing of the membership in Appendix 1.] The University of Alberta's current BARD facility has played a key role as the government consolidated its libraries and down-sized its collections. There is nothing similar to NEOS in southern Alberta and by increasing the current capacity the University of Alberta, in conjunction with NEOS, could reach across the province.

The second consortium is the Council of Prairie and Pacific University Libraries (COPPUL). Members come from the four western provinces, and all borrow from the University of Alberta to a greater or lesser extent. [See a complete listing of the membership in Appendix 1.] The Shared Print Archive Network (SPAN) is an agreement that specifies other institutions could give last print copy items to an "archive" if they did not want to hold the last print copy themselves. BARD has been an excellent facility for this type of preservation and storage. The COPPUL members most likely to use BARD for last print copy are the Universities of Lethbridge, Saskatchewan, Regina, and Manitoba, as none of them currently have a high-density storage facility. The smaller post-secondary members may also contribute materials, but generally speaking they have little that is not already in the current archive, so there would be no need to store additional copies unless demand required it.

Capital and Operational Cost Estimate

Capital Cost Estimate:

This project is a 3,437 GSM building designed to house a minimum of 5.1 million volumes. All costs are in 2014 dollars as a level C estimate based on a preliminary concept plan.

Budget line item	Construction
Hard Cost Construction	\$12,021,163
HC Contingency (including escalation)	\$2,863,088
HC Sub-Total	\$14,884,251
Consulting Services	\$1,502,645
PM Services	\$457,886
Other soft costs	\$925,000
FFE (racking, relocation, man lifts)	\$11,248,136
SC Contingency	\$551,872
SC Sub-Total	\$14,685,539
Project Sub-Total	\$29,569,790
GST (1.65%)	\$487,901
Project Total Cost (rounded)	**\$30,000,000

*** includes potential costs of up to \$3 Million, to move inventory twice due to schedule delivery beyond May 2017*

This replaces the original program ask of \$85 Million, that would have seen a new larger purpose built facility within the campus.

Project Risk Assessment

Project funding not provided: The existing facility would only be able to retain the existing items within the university's inventory, limiting its ability to leverage and enhance the partnerships listed above. It would also hamper the ability for the university to continue to repurpose much needed library space to meet the academic needs of today's learners. As a result of the university being unable to accept additional material/items from its Campus Alberta partners, they would need to develop space to house their archived material. The university would be forced to continue to find alternate locations for additional storage as the current facility is not suited for the safe and proper storage of these items.

Facility cannot meet demand of the system: The construction of a new, purpose built facility on South Campus will meet the needs of the university and its partners for the next 20 years. Further, this location will provide opportunities for expansion as they are presented or are required. The university will continue to proactively monitor its collections in a way to minimize excessive growth as it has done in the past. As the University converts more of its material into a digital format, it can begin removing multiple copies of titles accordingly.

Cost Estimates are understated: The university has completed a level C estimate with support from an outside cost consultant and a large general contracting firm. The cost estimate does include a contingency for both the project and the level of certainty associated with a level C estimate. Concern over geotechnical conditions prevalent at South Campus will be evaluated with suitable solutions that may create cost challenges to the level C estimate. In addition “first in” infrastructure costs and potential additional moves have been carried in the budget; however the development will be required to confirm third party impact.

Schedule: The design and construction of the RCRF on South Campus will likely extend beyond the existing lease date of May 2017. This may result in additional move costs associated with the requirement to vacate the existing building and temporarily relocate all materials while the new facility is completed. The current Federal Archives building could be a likely temporary move location along with additional space to be leased (see cost estimate risk).

South Campus Community: Risk exists relating to the reactions of the community near South Campus as this facility will be a large addition to the area. The interactions required with the community will extend the schedule and cost of this option.

Alternatives

The following table is a list of options reviewed.

OPTIONS	PROS	CONS
Build new facility on South Campus	<ul style="list-style-type: none"> • University owns and maintains asset • Building is suited and built for purpose • Future expansion options maintained • Close proximity to campus and connected via LRT • Starts development on South Campus • Permits expanded profile of collections for student access and research purposes 	<ul style="list-style-type: none"> • Higher upfront costs associated with new construction (first in costing). • Development and construction timing/logistics may be outside of required need. Current lease expires May 2017. This will drive additional cost requirements. • Extensive community consultation required that could impact schedule and design requirements
Federal Archive building expansion	<ul style="list-style-type: none"> • University owns and maintains asset • Building is suited and built for purpose • Lower capital costs as opposed to new build • Close proximity to campus • Development and construction timing/logistics of construction and move fit with expiry of current lease – May 2017 	<ul style="list-style-type: none"> • Expansion is possible, but not to the extent possible on South Campus • Space efficiencies are not fully realized in comparison to the purpose built building on South Campus • Restrictive ceiling heights • Expansion plans exhausted – provides capacity to about 2035

Recommendation

Given the current location, building's condition and lease arrangements, it was recommended that the university not renew its current lease and look for alternative locations for its high-density storage and archive facility. Considering the above options, the construction of a purpose-built, new facility on South Campus will provide the university and its partners a flexible, long-term solution.

The functions of a BARD-like facility not only benefit the University of Alberta, but also bring in the added benefit and value to its consortium partners, many of which are within Campus Alberta and various Government of Alberta departments. Investment to allow for the construction of this facility will provide the needed infrastructure to ensure the collections of the university are maintained in a safe environment, easily accessible to all its partners, and expandable to accommodate the projected short and mid-term needs of the facility as well as the long term vision; bringing benefit to the entire post-secondary sector.

Appendix 1 – Current Listing of Partners that Access and Utilize the University Book and Record Depository Records and Facilities

There are currently two major partnership groups that are affiliated with the university; NEOS Consortium Libraries and COPPUL (Council of Prairie and Pacific University Libraries). These partners not only access our records and archives, but also use the facility to store some of their materials to save them the costs of building, operating and maintaining their own. These partnerships not only facilitate lower costs for all parties, but also provide gateways for current and future collaboration on teaching, learning and research initiatives.

NEOS Consortium Libraries

Alberta Government Library (4 sites in Edmonton)

Alberta Health Services Libraries (7 sites across north and central Alberta)

Alberta Innovates – Technology Futures Libraries (5 sites including Calgary and Vegreville)

Canadian University College Library

Concordia University College of Alberta Library

Covenant Health Libraries (2 Edmonton sites)

Grande Prairie Regional College Library

Grant MacEwan University Libraries

Justice Canada Law Library (they will be leaving NEOS next year)

Keyano College Library

The King's University College Library

Lakeland College Library (Lloydminster and Vermilion sites)

Newman Theological College Library

NorQuest College (about to join)

Olds College Library

Red Deer College Library

University of Alberta Libraries

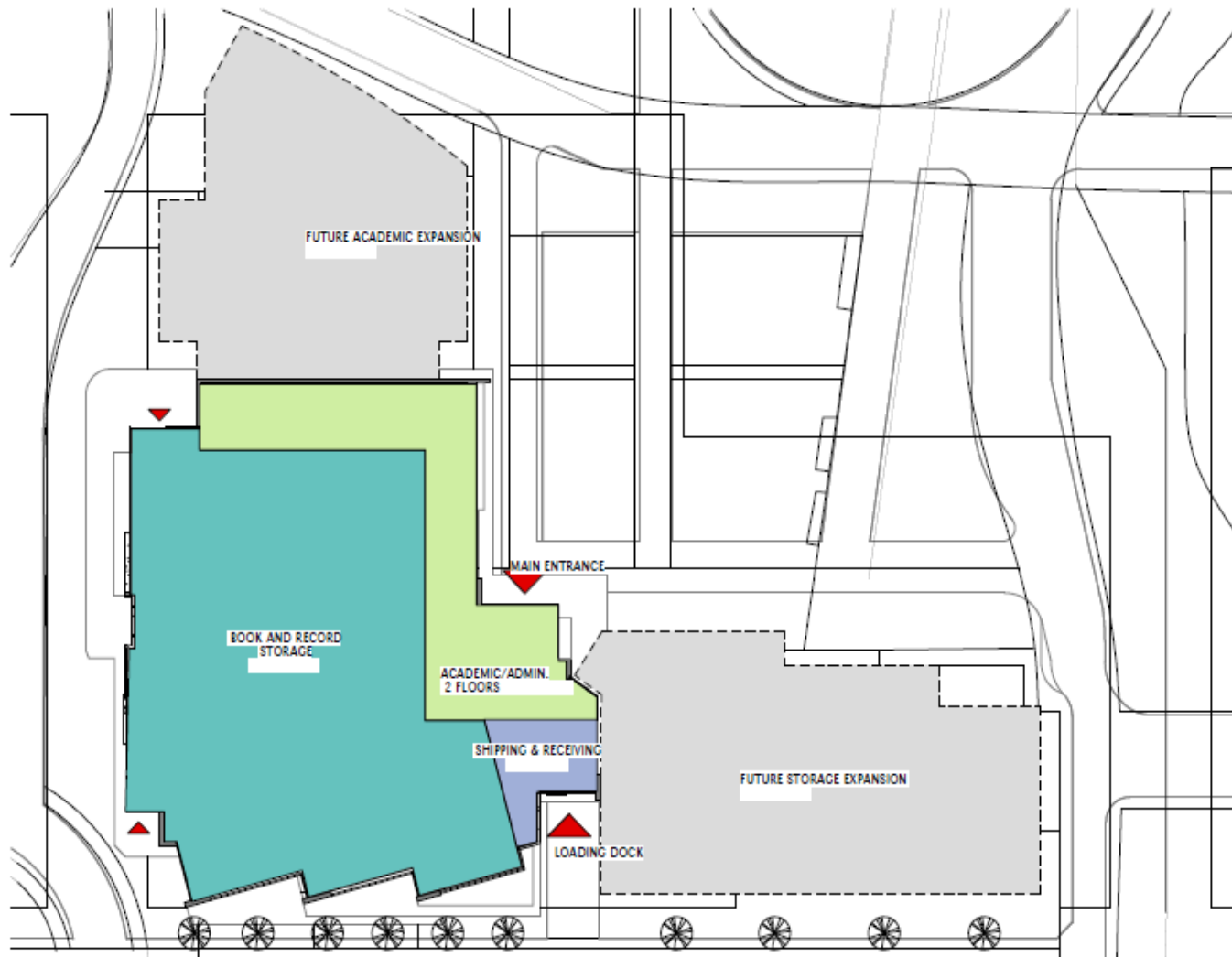
Vanguard College Library

COPPUL Members

Athabasca University
Brandon University
British Columbia Institute of Technology (BCIT) *
Canadian Mennonite University *
Concordia University College of Alberta
Douglas College *
Grant MacEwan University
Justice Institute of British Columbia *
King's University College
Kwantlen Polytechnic University
Mount Royal University
Northern Alberta Institute of Technology (NAIT) *
Okanagan College *
Quest University Canada *
Red Deer College *
Royal Roads University
Saskatchewan Institute of Applied Science & Technology (SIAST) *
Simon Fraser University
Southern Alberta Institute of Technology (SAIT) *
Thompson Rivers University
Trinity Western University
University College of the North *
University of Alberta
University of British Columbia
University of Calgary
University of Lethbridge
University of Manitoba
University of Northern British Columbia
University of Regina

* Denotes affiliated Members

Appendix 2 – Conceptual site planning, floor plans, elevations and renderings (6 pages)

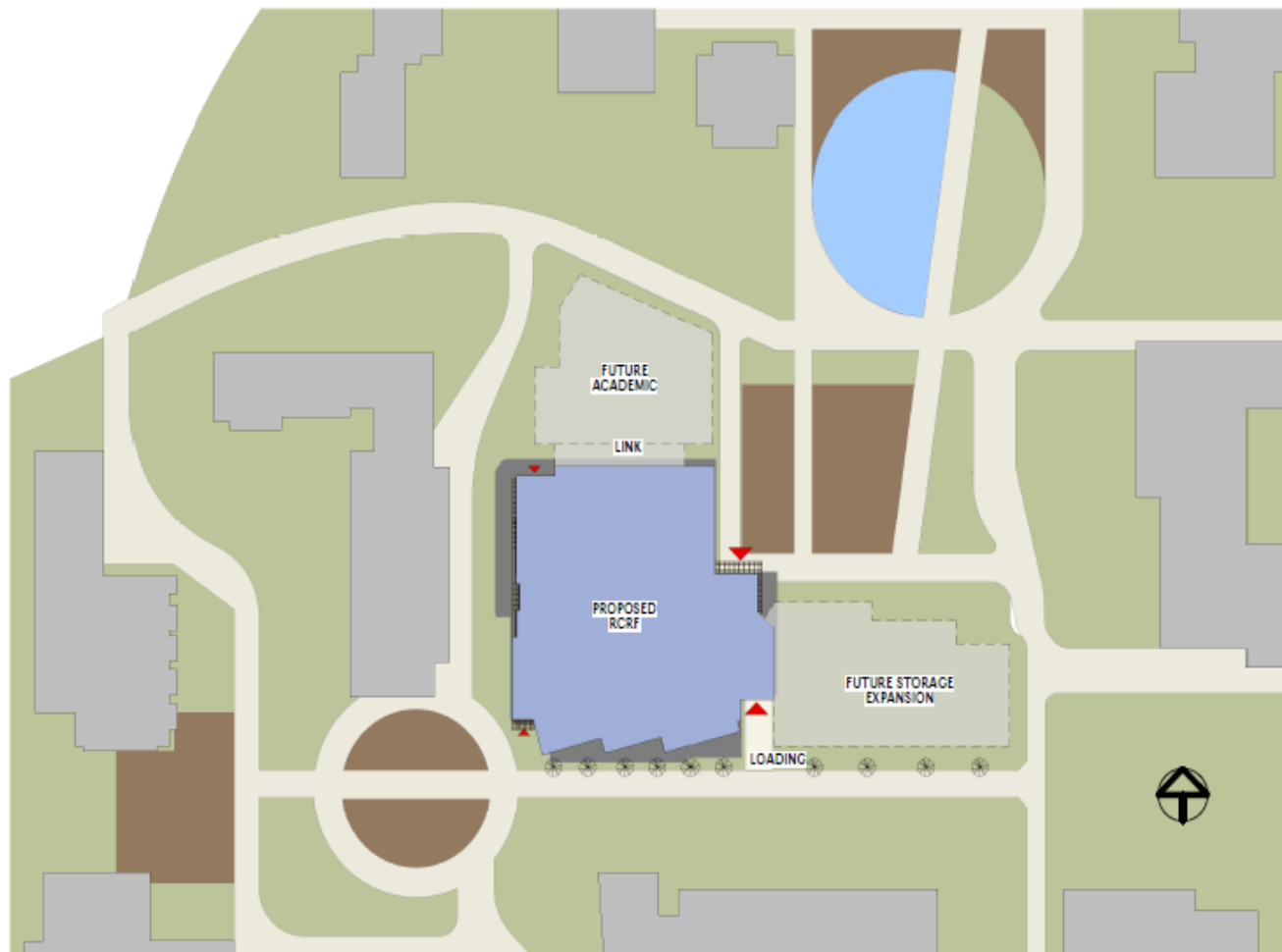


FLOOR PLAN AREAS

Research Collections Resource Facility (RCRF) - South
Campus

October 21, 2014

1" = 40'-0"



SITE PLAN

Research Collections Resource Facility (RCRF) - South
Campus

October 21, 2014

1" = 80'-0"





1
A11

Southwest Node



2
A11

Southeast Birdseye



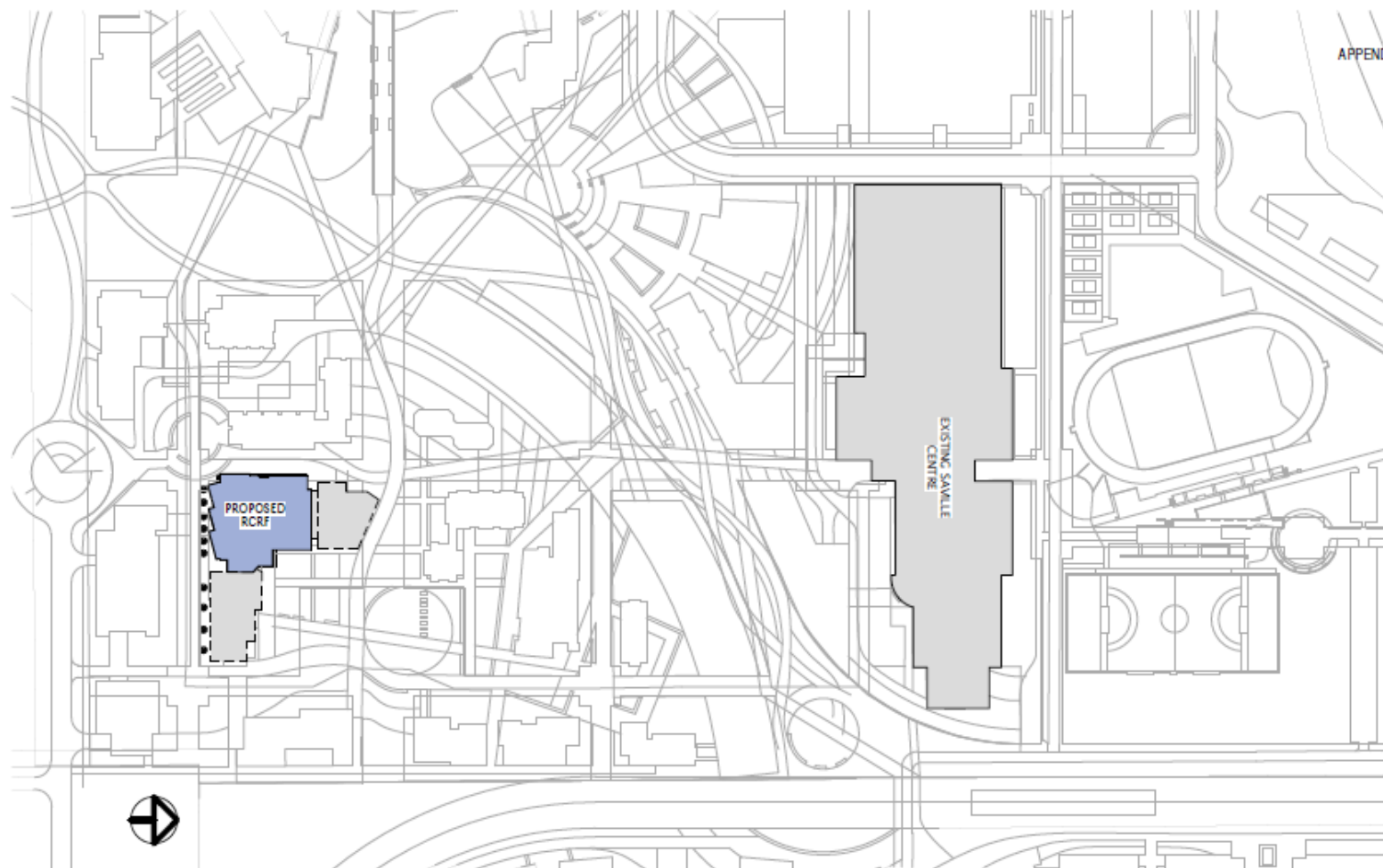
3
A11

View From Square

3D Views

Research Collections Resource Facility (RCRF) - South Campus

October 21, 2014



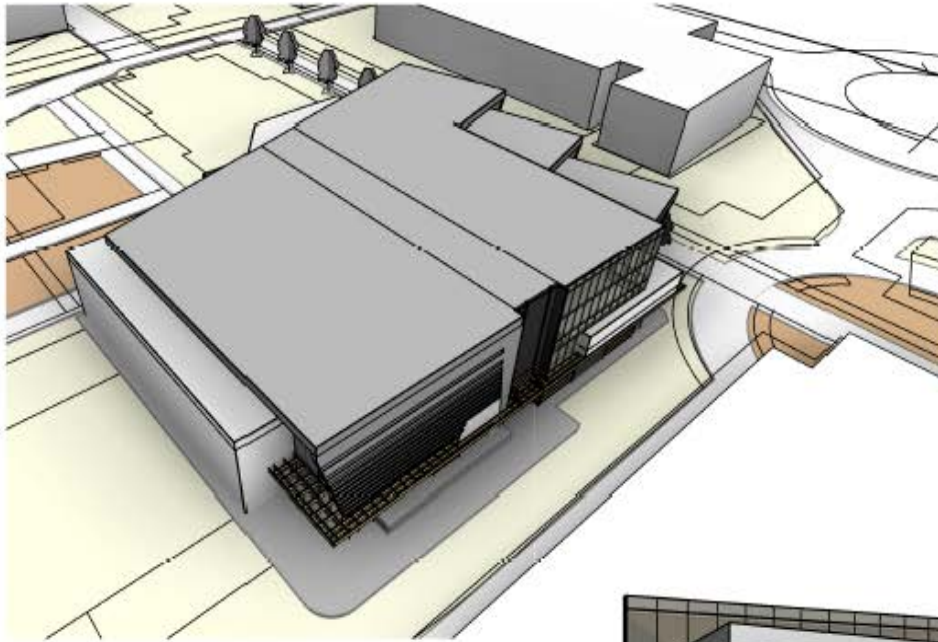
CONTEXT PLAN

Research Collections Resource Facility (RCRF) - South
Campus

October 21, 2014

1" = 200'-0"





1
A13

Northwest Birdseye



2
A13

View From South



3D Rendering 2
Research Collections Resource Facility (RCRF) - South
Campus

October 21, 2014

OUTLINE OF ISSUE

Agenda Title: **Research and Collections Resource Facility (RCRF) – South Campus: Borrowing Resolution and Order in Council**

Motion: THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee:

- a) execute a Borrowing Resolution requesting approval of debt financing for the design and construction of the Research and Collections Resource Facility (RCRF) – South Campus project for a total borrowing amount not to exceed thirty million dollars (\$30,000,000.00) in Canadian funds for a term of not more than twenty-five (25) years at an interest rate of not more than five percent (5.0%); and
- b) make application to the Minister of Infrastructure for the required approval of the Lieutenant Governor in Council.

Item

Action Requested	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Recommendation <input type="checkbox"/> Discussion/Advice <input type="checkbox"/> Information
Proposed by	Don Hickey, Vice-President, Facilities and Operations
Presenter	Don Hickey, Vice-President, Facilities and Operations
Subject	Research and Collections Resource Facility (RCRF) – South Campus

Details

Responsibility	Facilities and Operations
The Purpose of the Proposal is (please be specific)	The Book and Record Depository (BARD) is currently the facility that houses less frequently used library materials, research collections and the University Archives. Given the current location, the building conditions and the lease expiring in 2017, the university is looking to find an alternate location for high density storage for research collections and the Archives. A borrowing resolution and borrowing motion requires the approval of the Board of Governors, based on the recommendation of the Board Finance and Property Committee, in order that the required Order in Council may be obtained from the Government of Alberta prior to undertaking construction of the facility.
The Impact of the Proposal is	The construction of a new, purpose-built facility on South Campus provides the required capacity including expansion space; the proper environment in which to store these materials; lower risk and in close proximity to our campuses. The proposed building could be expanded in the future for related or complimentary use occupancies.
Replaces/Revises	n/a
Timeline/Implementation Date	Subject to approval, targeted to reach substantial completion in May 2017
Estimated Cost	Total project cost is estimated at thirty million dollars (\$30,000,000.00) in Canadian funds.
Sources of Funding	
Notes	(Please see Opportunity Paper attached with the “Research and Collections Resource Facility (RCRF) - South Campus Capital Expenditure Authorization Request (CEAR)” item for additional background information, if required.)

Alignment/Compliance

Alignment with Guiding Documents	Dare to Discover, Academic Plan (Dare to Deliver), Long Range Development Plan
Compliance with Legislation, Policy and/or Procedure Relevant to the Proposal	<u>Post-Secondary Learning Act</u> <i>The Post-secondary Learning Act, Section 73(1) Subject to the approval of the Lieutenant Governor in Council, a board, for the purposes of the public post-</i>

Item No. 4f

<p>(please <u>quote</u> legislation and include identifying section numbers)</p>	<p><i>secondary institution, may from time to time borrow any sums of money the board requires and may from time to time issue notes, bonds, debentures or other securities that (a) bear interest at a rate or rates determined by the board,(b) are in a denomination or denominations determined by the board,(c) are payable as to principal and interest(i) in the currency or currencies of any country or countries,(ii) at any place or places,(iii) at any time or times, and(iv) in any manner, determined by the board,(d) may be made redeemable in whole or in part in advance of maturity (i) at any time or times,(ii) on any terms, and(iii) at any price or prices, either with or without premium, determined by the board, and (e) may be issued in amounts that will realize the net sum required by the board for the purposes of the public post-secondary institution.</i></p> <p><u>BFPC Terms of Reference – Sections 3 and 4 state:</u></p> <p>3. <u>MANDATE OF THE COMMITTEE</u></p> <p><i>Except as provided in paragraph 4 and in the Board’s General Committee Terms of Reference, the Committee shall monitor, evaluate, advise and make decisions on behalf of the Board with respect to all strategic and significant financial and property matters and policies of the University(...)</i></p> <p><i>Without limiting the generality of the foregoing, the Committee shall:</i></p> <p><i>g) review and recommend to the Board original Capital Expenditure Authorization Requests or individual Supplemental CEARs greater than \$7 million or aggregate total CEAR and Supplemental CEARs up to, but not exceeding \$14 million.</i></p> <p>4. <u>LIMITATIONS ON DELEGATION BY THE BOARD</u></p> <p><i>The general delegation of authority by the Board to the Committee shall be limited as set out in this paragraph. Notwithstanding the general delegation of authority to the Committee set out in paragraph 3, the Board shall:</i></p> <p><i>(c) approve capital expenditures of more than \$7 million or more or expenditures which, when combined with other expenditures for the same period, would equal more than \$7 million.</i></p>
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Routing (Include meeting dates)

Consultative Route (parties who have seen the proposal and in what capacity)	<ul style="list-style-type: none"> • Vice-Provost & Chief Librarian • Vice-President, Facilities and Operations • President’s Executive Committee – Operational (PEC-O) – September 11, 2014 (<i>Agenda Item titled - BARD Fit-Out and Expansion</i>) • President’s Executive Committee – Operational (PEC-O) – Oct 30, 2014
Approval Route (Governance) (including meeting dates)	<p>Board Finance and Property Committee (BFPC) – November 25, 2014 (for recommendation)</p> <p>Board of Governors (BG) – December 10, 2014 (for approval)</p>
Final Approver	Board of Governors

Attachments:

1. Research and Collections Resource Facility - Financial Options (1 page)
2. Board Resolution – (2 pages)

**RESOLUTION OF
THE BOARD OF GOVERNORS OF THE UNIVERSITY OF ALBERTA**

Whereas:

- A. The Board of Governors, to carry out the purposes of the University of Alberta, deems it appropriate and necessary to proceed with the construction of the Research and Collections Resource Facility (RCRF) – South Campus project at a currently budgeted cost of Thirty Million Dollars (\$30,000,000.00) in Canadian funds (the “Project”);

And

- B. The Board of Governors considers it appropriate and necessary that the University of Alberta, in accordance with this Resolution, fund the Project by borrowing an amount not to exceed Thirty Million Dollars (\$30,000,000.00) in Canadian funds from the Lender defined herein.

IT IS HEREBY RESOLVED THAT:

1. Pursuant to Section 73 of the *Post-Secondary Learning Act* and subject to the prior approval of the Lieutenant Governor in Council, the Board of Governors, for the purposes of the University of Alberta, authorizes and approves the borrowing of an amount to fund the Project not to exceed Thirty Million Dollars (\$30,000,000.00) in Canadian funds (the “Loan”).
2. The Loan be:
 - (a) from a lender (the “Lender”) which is the Alberta Capital Finance Authority in an amount not to exceed Thirty Million Dollars (\$30,000,000.00) in Canadian funds;
 - (b) for a term not to exceed twenty-five (25) years;
 - (c) at an interest rate not to exceed five percent (5.0%) per annum;and that within the foregoing parameters, the establishment of the amount, term and interest rate be made by the Vice-President (Finance and Administration).
3. To secure the repayment of the Loan, the University of Alberta grants to the Lender such security as may be required by the Lender and agreed to by the Vice-President (Finance and Administration).

4. The Vice-President (Finance and Administration) be and is hereby authorized for and on behalf of the University of Alberta:
 - a) to negotiate, execute and deliver to the Lender such notes, bonds, debentures or other securities in such form, with or without seal, and containing such terms and conditions related to the Loan including amount, denomination, time and place of payment, principal and interest and redemption as agreed with such Lender;
 - b) to include in the security agreed with such Lender in conjunction with the Loan all such securities, debentures, charges, pledges, mortgages, conveyances, assignments and transfers to or in favour of the Lender of all or any property, real or personal, moveable or immoveable, owned by the University of Alberta or in which it may have an interest as may be agreed with such Lender;
 - c) to give to the Lender any other documents or contracts necessary to give or furnish to the Lender the security or securities required by the Lender including without limiting the generality of the foregoing, all or any receivables, book debts due or growing due, stocks, bonds, insurance policies, promissory notes, bills of exchange and securities of all kinds.
5. All agreements, securities, documents and instruments purporting to be signed, made, drawn, accepted, executed or endorsed as hereinbefore provided shall be valid and binding upon the University of Alberta.
6. The Lender shall be furnished with a certified copy of this Resolution.

I hereby certify that this Resolution has full force and effect on the ____ day of December, 2014.

Chair of The Board of Governors of the
University of Alberta

OUTLINE OF ISSUE

Agenda Title: **Internal Loan Policy**

Motion: THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee, approve the proposed changes to the UAPPOL Internal Loan Policy, as submitted by the Office of the Vice-President (Finance and Administration) and as set forth in Attachment 1, to take effect upon final approval.

Item

Action Requested	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Recommendation <input type="checkbox"/> Discussion/Advice <input type="checkbox"/> Information
Proposed by	Finance and Administration
Presenter	Phyllis Clark, Vice-President, Finance and Administration
Subject	Internal Loan Policy

Details

Responsibility	Financial Services
The Purpose of the Proposal is (please be specific)	To update the Internal Loan Policy to better reflect current and anticipated utilization patterns.
The Impact of the Proposal is	Aligns policy with Capital Expenditure Authorization Request (CEAR) Policy. Introduces a framework under which loans could be made to related entities such as the University of Alberta Properties Trust Inc.
Replaces/Revises (eg, policies, resolutions)	Revises Internal Loan Policy approved by Board of Governors on October 23, 2003.
Timeline/Implementation Date	January 1, 2015
Estimated Costs	None, internal loan program has already been established.
Sources of Funding	Non-Endowed Investment Pool's mid-term investment strategy.
Notes	<p>As of September 30, 2014, total internal loans outstanding were \$16.9 million. In October an \$18.5 million internal loan was approved but will not be drawn upon until 2015. Taking into account both repayments of existing loans and previously approved but undrawn loans, total internal loans will remain within policy limits.</p> <p>From an investment perspective, internal loans form part of the University's mid-term investment strategy for the non-endowed funds. Based on the constraints contained in the University Funds Investment Policy, the maximum available for investment in internal loans is currently \$53 million.</p> <p>The purpose section of the policy has been re-ordered to reflect the fact that internal loans are primarily being used for central initiatives. Related entities established pursuant to the Creation of a Legal Entity Policy have been explicitly added. It is anticipated that loans to related entities will be restricted to those that are consolidated for financial statement purposes.</p> <p>The \$5 million dollar limit for individual internal loans has been eliminated, but the internal loan approval limits have been harmonized with those contained in the Capital Expenditure Authorization Request (CEAR) Policy. Individual internal loans greater than \$7 million will require Board of Governors approval.</p> <p>All loans to related entities will be done on commercial terms and</p>

	conditions.
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Alignment/Compliance

Alignment with Guiding Documents	Dare to Discover, Dare to Deliver, Comprehensive Institutional Plan
Compliance with Legislation, Policy and/or Procedure Relevant to the Proposal (please quote legislation and include identifying section numbers)	<p>PSLA 72(1) and 73(1): Requires approval of the Lieutenant Governor in Council for all borrowings unless the liability or expenditure can be provided for out of the annual income of the year or out of other money available for the purpose.</p> <p>Internal loans are eliminated for accounting purposes when the university's consolidated financial statements are prepared. Internal loans are effectively treated as a charge against income of the year and are not considered borrowing.</p> <p>PSLA 75(2) and 75(3) (2) When making investments a board must adhere to the Investment and lending policies, standards and procedures approved under subsection (3).</p> <p>(3) The board must, by resolution, approve policies, standards and procedures that a reasonable and prudent person would apply in respect of a portfolio of investments to avoid undue risk of loss and to obtain a reasonable return.</p> <p>PSLA 77 A board must obtain the approval of the Minister for (a) an incorporation, (b) the acquisition of a subsidiary corporation either directly or indirectly through the acquisition of a majority of shares in the corporation, or (c) the dissolution of a corporation prior to seeking Lieutenant Governor in Council approval under the Financial Administration Act.</p> <p>Board Finance and Property Committee Terms of Reference:</p> <p>MANDATE OF THE COMMITTEE</p> <p>3. Except as provided in paragraph 4 and in the Board's General Committee Terms of Reference, the Committee shall monitor, evaluate, advise and make decisions on behalf of the Board with respect to all strategic and significant financial and property matters and policies of the University. The Committee shall also consider any other matter delegated to the Committee by the Board.</p> <p>Without limiting the generality of the foregoing, the Committee shall: ... c) review and recommend to the Board the annual and other budgets and major issues of policy related to budgets</p>

Routing (Include meeting dates)

Consultative Route (parties who have seen the proposal and in what capacity)	Phyllis Clark, Vice-President (Finance and Administration)
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Item No. 4g

Approval Route (Governance) (including meeting dates)	Board Finance and Property Committee, November 25, 2014 (for recommendation) Board of Governors, December 10, 2014 (for approval)
Final Approver	Board of Governors

Attachments:

1. Proposed Internal Loan Policy (track changes) (3 pages)
2. Proposed Internal Loan Policy (clean) (3 pages)
3. Existing Internal Loan Policy (2 pages)

Prepared by: Ron Ritter, Director, Investments and Treasury

Revised: 12/2/2014

Approval Date: ~~October 24, 2003~~December 10, 2014

Most Recent Editorial Date: ~~January 11, 2013~~

Internal Loan Policy

Office of Accountability:	Vice-President (Finance and Administration)
Office of Administrative Responsibility:	Financial Services
Approver:	Board of Governors
Scope:	Compliance with this University-wide policy extends to all members of the University community.

Overview

The *Post-Secondary Learning Act* requires approval of the Lieutenant Governor in Council for all borrowings unless the liability or expenditure can be provided for out of the annual income of the year or out of other money available for the purpose. The University has a Non-Endowed Investment Pool (NEIP), which is invested in various short-term, mid-term and long-term strategies. Given the availability of capital as represented by the NEIP, and the fact that it is not practical to obtain government approval for small borrowings with short durations, an internal loan policy was developed.

Purpose

The internal loan policy is primarily intended to provide the University and its Related Entities with a financing vehicle that can quickly respond to new opportunities or unforeseen problems that require an element of short-term capital and equipment bridge financing.

The internal loan policy is ~~primarily intended to~~also intended to assist units and researchers in the acquisition of equipment that would otherwise be acquired through **capital leases**. As a general rule, the University's **opportunity cost of capital** is considerably lower than the interest rate implicit in capital leases, thus creating a cost saving opportunity.

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POLICY

1. SPECIFIC POLICIES FOR INDIVIDUAL INTERNAL LOANS

a. Internal loans will generally be limited to a maximum **amortization** period of five (5) years.

~~b. Individual internal loans shall be limited to a maximum amount of five (5) million dollars.~~

~~b.~~e. All requests for internal loans must be supported by a solid business case that clearly outlines how the repayment will be funded.

~~c.~~e. For floating rate internal loans, other than those to Related Entities, the interest rate shall be based on the rate that the University would have earned had these funds been invested in its short-term investment pool plus 1.50%. Floating rate loans to Related Entities will be done on commercial terms, with comparable conditions and interest rates that an arms-length lender would charge in similar circumstances.

~~d.~~e. For fixed term internal loans, other than those to Related Entities, the interest rate shall be the rate quoted by the **Alberta Capital Finance Authority** (ACFA) for similar loans closest to the quoted term. These rates can be found on the ACFA website (see RELATED LINKS). Fixed term loans to Related Entities, will be done on

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ef. Early loan repayments, other than those from Related Entities, shall may be assessed a three (3) month interest penalty. Early loan repayments from Related Entities will be done on commercial terms comparable to what an arms-length lender would charge in similar circumstances.

2. GENERAL POLICIES FOR INTERNAL LOANS

- a. The maximum total outstanding internal loans at any given point in time shall not exceed 20% of the ~~Non-Endowed Investment Portfolio~~ NEIP that can be allocated to the Mid-Term Funds portion. This represents 20% of 33%, or 6.6% of the total NEIP portfolio as at October 31st of any given year.
- b. Should the outstanding internal loans at any point in time exceed the maximum limit in 2a, no additional internal loans would be approved.
- c. The total outstanding internal loans shall be incorporated into the quarterly ~~short-term~~ NEIP investment reporting to the Board Investment Committee.

e-d. The total outstanding internal loans shall be reported upon annually to the Board Finance and Property Committee.

3. APPROVAL

- a. The Director, Investments and Treasury may approve internal loans up to five hundred thousand (500,000) dollars.
- b. The Associate Vice-President Finance and Supply Management Services may approve internal loans up to one (1) million dollars.
- a-c. The Vice-President (Finance and Administration) may approve internal loans up to ~~one-two~~ (24) million dollars.
- d. Internal loans in excess of ~~one-two~~ (24) million dollars but less than ~~five-seven~~ (75) million dollars and internal loans with amortization periods in excess of five (5) years will require the approval of the Board Finance and Property Committee.

b-e. Internal loans in excess of seven (7) million dollars will require the approval of the Board of Governors.

DEFINITIONS

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Opportunity Cost of Capital	The rate of return that the University would otherwise be able to earn at the same risk level as the investment that has been selected.
Amortization	The reduction of debt through regular payments of principal and interest over a specified period.

Related Entities

[Legal Entities created pursuant to the Creation of a Legal Entity Policy.](#)

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PUBLISHED PROCEDURES OF THIS POLICY

[Internal Loan Procedure](#)

Approval Date: December 10, 2014

Internal Loan Policy

Office of Accountability:	Vice-President (Finance and Administration)
Office of Administrative Responsibility:	Financial Services
Approver:	Board of Governors
Scope:	Compliance with this University-wide policy extends to all members of the University community.

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[Internal Loan Procedure](#)

Approval Date: October 24, 2003

Most Recent Editorial Date: January 11, 2013

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OUTLINE OF ISSUE

Agenda Title: **Chemical and Materials Engineering Building (CMEB): Supplemental Capital Expenditure Authorization Request (CEAR)**

Motion: THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee, approve a Supplemental Capital Expenditure Authorization Request (CEAR) of seven million dollars (\$7,000,000.00) in Canadian funds for a total revised project cost of twenty-four million dollars (\$24,000,000.00) for the construction of levels 2, 3 and 7 within the Chemical and Materials Engineering Building (CMEB).

Item

Action Requested	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Recommendation <input type="checkbox"/> Discussion/Advice <input type="checkbox"/> Information
Proposed by	Don Hickey, Vice-President, Facilities and Operations
Presenter	Don Hickey, Vice-President, Facilities and Operations
Subject	Approval of a supplemental capital expenditure of \$7,000,000.00 for the construction (Renewal) of Levels 2, 3 and 7 within the Chemical and Materials Engineering Building (CMEB).

Details

Responsibility	Facilities and Operations									
The Purpose of the Proposal is (please be specific)	To obtain approval of a supplemental CEAR for \$7,000,000.00 as provided through the Faculty of Engineering for the construction of levels 2, 3 and 7 in CMEB.									
The Impact of the Proposal is	These funds will allow for the continued construction and modernization of three additional levels within CMEB. The three new levels will add an additional fifty (50) wet labs to alleviate the space constraints currently being realized by the Faculty of Engineering.									
Replaces/Revises (eg, policies, resolutions)	n/a									
Timeline/Implementation Date	The project is anticipated to commence upon the Supplemental CEAR approval; anticipated construction start date of December 1, 2014 targeting substantial completion by December 31, 2015.									
Estimated Cost	The total project cost is estimated at \$24,000,000.00.									
Sources of Funding	<table border="1"> <thead> <tr> <th></th> <th>Funding Source</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>CEAR 14-014 (\$1)</td> <td>Faculty of Engineering</td> <td>\$ 7,000,000.00</td> </tr> <tr> <td></td> <td>TOTAL Funding Required</td> <td>\$7,000,000.00</td> </tr> </tbody> </table>		Funding Source	Amount	CEAR 14-014 (\$1)	Faculty of Engineering	\$ 7,000,000.00		TOTAL Funding Required	\$7,000,000.00
	Funding Source	Amount								
CEAR 14-014 (\$1)	Faculty of Engineering	\$ 7,000,000.00								
	TOTAL Funding Required	\$7,000,000.00								
Notes										

Alignment/Compliance

Alignment with Guiding Documents	Dare to Discover, Preservation Plan for Maintenance and Functional Renewal
Compliance with Legislation, Policy and/or Procedure Relevant to the Proposal (please quote legislation and include identifying section numbers)	<p>PSLA Act, Section 60 (1) (b) refers: <i>The Board of a public post-secondary institution shall develop, manage, and operate, alone or in co-operation with any person or organization, programs, services and facilities for the educational or cultural advancement of the people of Alberta.</i></p> <p>BFPC Terms of Reference, Section 3) g states: <i>3. MANDATE OF THE COMMITTEE</i> <i>Except as provided in paragraph 4 and in the Board's General Committee</i></p>

Item No. 4h

	<p><i>Terms of Reference, the Committee shall monitor, evaluate, advise and make decisions on behalf of the Board with respect to all strategic and significant financial and property matters and policies of the University. The Committee shall also consider any other matter delegated to the Committee by the Board.</i></p> <p><i>Without limiting the generality of the foregoing, the Committee shall:</i></p> <p><i>f) approve original Capital Expenditure Authorization Request (CEAR) or individual Supplemental CEARs up to a maximum of \$7 million and aggregate total CEAR and Supplemental CEARs up to a maximum of \$14 million. The Vice-President (Facilities and Operations) is authorized to approve original CEARs or individual Supplemental CEARs up to \$2 million and aggregate total CEAR and Supplemental CEARs up to \$4 million.</i></p> <p><i>g) review and recommend to the Board original Capital Expenditure Authorization Requests or individual Supplemental CEARs greater than \$7 million or aggregate total CEAR and Supplemental CEARs up to, but not exceeding \$14 million.</i></p> <p>BFPC Terms of Reference, Section 4) c states:</p> <p>4. LIMITATIONS ON DELEGATION BY THE BOARD</p> <p><i>The general delegation of authority by the Board to the Committee shall be limited as set out in this paragraph. Notwithstanding the general delegation of authority to the Committee set out in paragraph 3, the Board shall:</i></p> <p><i>(c) approve capital expenditures of more than \$7 million or expenditures which, when combined with other expenditures for the same project, would equal more than \$7 million;</i></p>
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Routing (Include meeting dates)

Consultative Route (parties who have seen the proposal and in what capacity)	Chemical Materials Engineering Building Renewal Project Steering Committee Dean, Faculty of Engineering Vice-President, Facilities and Operations Associated Vice-President, Planning and Project Delivery, Facilities and Operations
Approval Route (Governance) (including meeting dates)	Board Finance and Property Committee (BFPC) – for recommendation - November 25, 2014 Board of Governors (BG) – for approval – December 10, 2014
Final Approver	Board of Governors

Attachments:

1. Briefing Note – (2 pages)
2. Briefing Note – original CEAR request to BFPC: *Expenditure to Advance Condition and Functional Renewal of Chemical and Materials Engineering Building Levels 2, 3 and 7, May 27, 2014* – (4 pages)

Prepared by:

Pat Jansen
Associate Vice-President, Planning and Project Delivery
Facilities and Operations
pat.jansen@ualberta.ca

Chemical and Materials Engineering Building (CMEB): Supplemental Capital Expenditure Authorization Request (CEAR)

Background

On May 27, 2014, a request for approval for an expenditure of \$17,000,000.00, based on a Class B cost estimate completed by Acumen, to further advance the condition and functional renewal of CMEB Levels 2, 3 & 7 was submitted to the Board Finance and Property Committee (BFPC). Funding for this request was provided from the Government of Alberta and the Faculty of Engineering. BFPC recommended to the Board of Governors approval of this expenditure (CEAR 14-014), which was subsequently approved on June 20, 2014.

Issues

Following the approval of CEAR 14-014, and subsequent to the tender issuance, additional requirements for refined laboratory space to accommodate new equipment was identified. In order to accommodate the renewal of labs to house the required equipment, mechanical and electrical scopes of work for the 2, 3 & 7 phase were expanded to extend mechanical and electrical services to the lower floor levels. This required redesign of the construction documents. The redesign and review extended the tender event for levels 2, 3 & 7 out to October 17, 2014. On November 13, 2014 the Request for Bid (RFB) for CMEB levels 2, 3 & 7 closed, the low bid received was \$21,630,000.00. With the inclusion of soft costs and the low bid hard costs, the estimated final cost to complete the work scope has now increased to \$23,969,966.00. In addition to scope change to accommodate the mechanical and electrical extension of services to the lower levels, the current Edmonton construction market has experienced a significant increase in activity in recent months resulting in escalation of construction costs. The market indicators up to this point based on earlier tender events have all fallen within project pre-tender estimates. For this tender event we have been advised that the mechanical and electrical trades are under considerable demand and combined with the complexity of the scope, pricing was significantly over the early pre-tender estimates.

	Funding Source	Amount
CEAR 14-014	Faculty of Engineering (\$12,500,000.00)	
	Government of Alberta (\$4,500,000.00)	\$17,000,000.00
CEAR 14-014 (S1)	Faculty of Engineering	\$ 7,000,000.00
	Total Project Cost	\$24,000,000.00

The Faculty of Engineering is encountering significant space restraints and is declining research grants due to a lack of availability of functional wet lab space. The further development of CMEB levels 2, 3 & 7 at this time will assist in elevating the current space constraints.

The current construction market within the greater Edmonton area is projected as being quite robust. The possibility of future escalation is quite likely; this would have a negative impact on pricing for interior finishes. Moving forward with the reconstruction of CMEB levels 2, 3 and 7 at this time will reduce escalation exposure and position the project for competitive pricing.

The continuation of construction of levels 2, 3 and 7 within CMEB aligns with the support that funding partners have shown for this facility as a high priority preservation project.

Risk mitigation related to project budget control for CMEB levels 2, 3 and 7 construction is achieved through the use of a stipulated lump sum bid process, which allows a decision point through the defined scope of work for the fixed bid and a comparison to budget.

Additional alternatives have been considered:

Reduce the work scope into smaller bid packages; the bid coverage for this tender included 2 proponents, both familiar with the University environment and the specific building. The tender variance was less than 5%. We believe the work scope was well understood and bid competitiveness illustrated on the values submitted. A smaller work scope strategy will duplicate the contractor administration and mobilization costs, decrease the effectiveness of floor to floor coordination and likely incur site constraints in placing a larger number of firms in a constrained area. Prices are likely to increase in this scenario.

Delay the tender event until later date; given the Edmonton market place, the market has informed the Project Management Office the likelihood of further pricing escalation is a real probability. There are some indications that the industry market will slow permitting additional work resources back into the commercial market, however, the pressured sectors, such as drywall, finishes etc., will not be impacted. Any further delay in schedule will impact the Faculty's academic plans.

Recommendation

To approve the request for the supplemental capital expenditure.



Expenditure of Funds to Advance Condition and Functional Renewal of Chemical and Materials Engineering Building Levels 2, 3 and 7.

Background

The Phase 1 Condition and Functional Renewal of the Chemical and Materials Engineering Building (CMEB) was submitted to the Board Finance and Property Committee (BFPC) on September 15, 2008 for approval of an expenditure of \$9,700,000.00 of funding received from the Government of Alberta (Preservation Grant – Building Land Inventory Management System (BLIMS) #8187). BFPC recommended and the Board of Governors subsequently approved this expenditure (CEAR 08-065), on October 3, 2008. This approval of the Phase 1 funding provided for the investigation of base building conditions, including building systems, in order to obtain confirmation of the Phase 2 budget associated with the condition and functional renewal of the building.

As a separate initiative, funding of \$1,240,000.00 was authorized by the Vice-President (Facilities and Operations) to undertake a parallel investigation for locating hazardous materials (asbestos) and a methodology for removal of the identified materials. This funding was provided from the Infrastructure Maintenance Program (IMP) grant and work was approved under a separate CEAR (08-052). Both these authorizations were submitted and approved prior to the submission for the Knowledge Infrastructure Program (KIP) funding and the subsequent approval announcement.

On July 22, 2009, the Federal Government announced the University of Alberta's approval of funding under the Knowledge Infrastructure Program (KIP) of \$10,000,000.00 in partner funds to commence a major modernization of three laboratory floors within the CMEB.

With the KIP announcement, the CMEB project team commenced a parallel process of design development for renewal and repurposing of the CME Building as well as preparation of construction drawings and specifications to attain renewal of three laboratory floors. During this process the project budget was estimated to be \$27,761,000.00 (including hazardous materials). The Faculty of Engineering provided funding to cover the identified increase in cost. Two major contracts were awarded to complete the KIP. The initial contract for modernization of three laboratory floors was awarded in November 2009, and the second contract to complete condition and functional renewal of building systems and select building elements was awarded in December 2009. Both contracts were completed on schedule with the three modernized laboratory floors supported by renewed components of mechanical and electrical systems located in the basement level, rooftop level, and risers between the basement and rooftop. The funding for the balance of building cost for modifications and modernization is still part of the University's Phase 2 BLIMS submission as a funding request for this project to the Government of Alberta.

On April 15, 2010, a request for approval of an expenditure of \$7,238,600.00 to further advance the condition and functional renewal of CMEB was submitted to the Board Finance and Property Committee (BFPC). Funding for this request was provided from the Infrastructure Maintenance Program (\$938,600.00) and the Faculty of Engineering (\$6,300,000.00). BFPC recommended to the Board of Governors approval of this expenditure (CEAR 08-065(S2)), which was approved on May 7, 2010. This approval provided for the completion of detailed design and preparation of construction documents for the remaining laboratory floors as well as additional rooftop equipment, enhancement of mechanical systems, hazardous materials abatement and partial replacement of roofing.

On April 29, 2013, funding of \$1,022,020.00 was authorized by the Vice-President (Facilities and Operations) for professional services to complete the construction documents stage, fees associated with construction completion of scope of work completed to date, and the installation of the CMEB Dashboard project to monitor energy usage of levels 4, 5 and 6.

As a separate initiative, funding of \$1,658,000.00 (CEAR 11-063) was authorized by the Vice-President (Facilities and Operations) to undertake the complete demolition of all interior building finishes and building services, removal of all hazardous materials within levels 2, 3 and 7 in preparation for the reconstruction of these levels.

The current request for approval of funds to advance the condition and functional renewal of the Chemical and Materials Engineering Building include the following elements:

Construct (Renew) level 2	\$ 7,116,000.00
Construct (Renew) level 3	\$ 5,383,000.00
Construct (Renew) level 7	\$ 4,297,000.00

Previously Approved:		
CEAR 08-052	\$1,240,000.00	IMP grant for hazardous materials abatement
CEAR 08-065	\$9,700,000.00	Government of Alberta grant (BLIMS #8187)
CEAR 08-065(S1)	\$10,000,000.00	KIP funding
CEAR 08-065(S1)	\$6,821,000.00	Faculty of Engineering matching funding
CEAR 08-065(S2)	\$6,300,000.00	Faculty of Engineering
CEAR 08-065(S2)	\$938,600.00	Partnered Funding IMP Grant
CEAR 08-065(S3)	\$0.00	Capital interest transfer (IMP)
CEAR 08-065(S4)	\$1,022,020.00	Faculty of Engineering
CEAR 11-063	\$1,658,000.00	IMP
Total:	\$37,679,620.00	

New funding approval requested:		
CEAR To be Completed	\$12,500,000.00	Faculty of Engineering
	\$4,500,000.00	Government of Alberta repurposed funds from ECHA
Total:	\$17,000,000.00	

Revised Project Total	\$54,679,620.00	
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The project cost estimate for the renewal of levels 2, 3 and 7 is based on a class "B" estimate prepared April 25, 2014 provided by an independent cost consultant (ACUMEN Cost Consulting, Graeme Alston) and reviewed by the project team.

Issues

The Faculty of Engineering is now encountering significant space constraints and is now declining research grants due to a lack of availability of wet lab space for conducting the research and a lack of available space for personnel. The further development of CMEB levels 2, 3 and 7 at this time will assist in alleviating the current space constraints.

The current construction market within the Edmonton area is projected as being quite robust. The possibility of future escalation is quite likely; this would have a negative impact on pricing for interior finishes. Moving forward with the reconstruction of CMEB Levels 2, 3 and 7 at this time will reduce escalation exposure and position the project for value pricing.

The continuation of construction of Levels 2, 3 and 7 within CMEB aligns with the support that funding partners have shown for this facility as a high priority preservation project.

Risk mitigation related to project budget control for CMEB Levels 2, 3 and 7 construction is achieved through the use of a stipulated lump sum bid process, which allows a decision point through the defined scope of work for the fixed bid and a comparison to budget.

Recommendation

Please see Motion on Outline of Issue.

OUTLINE OF ISSUE

Agenda Title: **Unitized Endowment Pool (UEP) Spending Policy**

Motion: THAT the Board of Governors, on the recommendation of the Board Investment Committee, approve the revised Unitized Endowment Pool Spending Policy, as set forth in Attachment 1 to the agenda documentation.

Item

Action Requested	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Recommendation <input type="checkbox"/> Discussion/Advice <input type="checkbox"/> Information
Proposed by	Dave Lawson, Chair, Board Investment Committee
Presenter	Dave Lawson, Chair, Board Investment Committee
Subject	Endowment Spending Policy

Details

Responsibility	Vice-President (Finance and Administration)
The Purpose of the Proposal is (please be specific)	To implement a revised Unitized Endowment Pool (UEP) Spending Policy that aligns the indirect cost recovery on endowed donations with that of expendable donations.
The Impact of the Proposal is	Eliminates the redirection of the first 12 months spending allocation associated with new endowment donations to the administrative assessment. Annual spending allocation is made available in full during the month of April each fiscal year. Spending allocation calculation procedure is changed to allow communication one year in advance on the amount to be allocated.
Replaces/Revises (eg, policies, resolutions)	This policy replaces the UEP Spending Policy that was approved by the Board of Governors on March 15, 2013.
Timeline/Implementation Date	Implementation date is April 1, 2015
Estimated Cost	The redirection of the first 12 months spending allocation associated with new endowment donations to the administrative assessment was expected to generate \$1.0 million in budgetary support for advancement initiatives. It is anticipated that this shortfall will be substantially offset as the fund grows over time by the 0.85% administrative assessment on a higher endowment base. The full distribution of the annual spending allocation in April of each fiscal year replaces the current monthly allocation process. Since most endowments support scholarships and salaries with pre-defined payment dates, no material impact on the university's cash flows are anticipated. Changes to the allocation calculation procedure will result in the amount distributed staying constant for at least one more year. As at March 31, 2014 the market value of the investments exceeded the inflation tracking target for the endowments by 8.5%. A 10.0% surplus is required before the spending allocation is indexed by the rate of inflation
Sources of Funding	The endowed funds primarily represent the University's endowments.
Notes	In March of 2013 three policy changes were launched to enable an increased level of budgetary support for advancement initiatives. The first of these changes was the implementation of a 5% indirect cost recovery against expendable donations. The other changes involved the

Item No. 5a

	<p>Unitized Endowment Pool (UEP) Spending Policy. Specifically the policy spending rate was reduced from 4.25% to 3.90%, while the administrative assessment was increased from 0.50% to 0.85%. The first 12 months of the 3.90% spending allocation associated with new endowment contributions was directed towards the administrative assessment. It was anticipated that these three policy changes would generate \$5.2 million of budgetary support annually (\$1.4, \$2.8 and \$1.0 million respectively).</p> <p>The aforementioned changes were implemented effective April 1, 2013. Throughout the course of the last fiscal year it became apparent that donors generally did not support the 5.0% indirect cost recovery against expendable donations or the redirection of the first 12 months spending allocation associated with new endowed donations. The 5.0% indirect cost recovery against expendable donations was cancelled effective June 1, 2014.</p> <p>Through discussions with various endowment stakeholders it became clear that the UEP Spending Policy was not well understood. The monthly spending allocation process was creating uncertainty and impeding clear and concise communication with the university's donors. Also, more than 3 months' notice of the subsequent fiscal year's spending allocation was required for better planning purposes.</p> <p>To align the indirect cost assessment on new endowed donations with expendable donations, it is proposed that the redirection of the first 12 months spending allocation associated with new donations be cancelled effective April 1, 2015. Instead all earnings net of direct investment management costs associated with new endowment donations are to be recapitalized for growth and inflation protection for the remainder of the fiscal year in which a donation is received.</p> <p>No changes are being proposed to either the 3.90% policy spending rate or the 0.85% administrative assessment rate.</p> <p>To simplify the management of endowed programs and to enable more concise reporting to donors, it is proposed that the annual spending allocation be made available to faculties and departments in full during the month of April each year, based on the number of units associated with endowment principal as of March 31st. This would replace the current monthly spending allocation process.</p> <p>To create greater certainty around the subsequent fiscal year's spending allocation; it is proposed that various calculations be moved back nine months from December 31st to March 31st. This will allow management to clearly communicate the spending allocation to endowment stakeholders almost one full year in advance.</p>
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Alignment/Compliance

<p>Alignment with Guiding Documents</p>	<p>Dare to Discover: Cornerstone - Transformative Organization and Support Enables the development of an endowment comparable to the best public research universities in the world</p>
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Compliance with Legislation, Policy and/or Procedure Relevant to the Proposal (please quote legislation and include identifying section numbers)

Post-Secondary Learning Act (PSLA) Section 76: Pooled Trust Fund

- (1) *In this section, "pooled trust fund" means a fund that consists of a trust fund and one or more other funds combined for the purpose of investment and that allocates to each trust an amount computed by reference to the value of that trust's proportionate interest in the assets of the fund.*
- (2) *A board may*
- (a) *provide for the establishment, management, investment and winding-up of a pooled trust fund,*
 - (b) *alter the terms and conditions of a trust to allow the trust to participate in a pooled trust fund,*
 - (c) *alter the terms and conditions of a trust to enable income earned by the trust to be withheld from distribution to avoid fluctuations in the amounts distributed and generally to regulate the distribution of income earned by the trust,*
 - (c.1) *alter the terms and conditions of a trust to enable the board to encroach on the capital of the trust to avoid fluctuations in the amounts distributed and generally to regulate the distribution of income earned by the trust if, in the opinion of the board, the encroachment benefits the public post-secondary institution and does not impair the long-term value of the fund, and*
 - (d) *provide for remuneration for the trustee of a pooled trust fund and the trusts that participate in the pooled trust fund out of the income earned by the pooled trust fund.*

Board Investment Committee Terms of Reference

3. MANDATE OF THE COMMITTEE

Except as provided in paragraph 4 and in the Board's General Committee Terms of Reference, the Committee shall monitor, evaluate and make decisions on behalf of the Board with respect to all investments, including both short-term and long-term investments ("Investments"). The Committee shall also consider such other matters delegated to the Committee by the Board.

Without limiting the generality of the foregoing the Committee shall:

- (b) *review and recommend to the Board, the Endowment Objectives and the Endowment Spending Policy for the University.*

4. LIMITATIONS ON DELEGATION BY THE BOARD

The general delegation of authority by the Board to the Committee shall be limited as set out in this paragraph. Notwithstanding the general delegation of authority to the Committee as set out in paragraph 3, the Committee shall bring to the Board for final approval or information:

- (b) *The approval of the Endowment objectives and spending policy of the University.*

Item No. 5a

Routing (Include meeting dates)

Consultative Route (parties who have seen the proposal and in what capacity)	
Approval Route (Governance) (including meeting dates)	Board Investment Committee, November 26, 2014 (for recommendation) Board of Governors, December 10, 2014 (for approval)
Final Approver	Board of Governors

Attachments:

1. Draft Unitized Endowment Pool (UEP) Spending Policy (clean) – 3 pages
2. Draft Unitized Endowment Pool (UEP) Spending Policy (track changes) – 3 pages
3. Unitized Endowment Pool (UEP) Spending Policy (as approved on March 15, 2013) – 3 pages

Prepared by: Ron Ritter, Director, Investments and Treasury, 780-492-9987, ron.ritter@ualberta.ca

Revised: 12/2/2014

Unitized Endowment Pool (UEP) Spending Policy

Office of Accountability:	Vice-President Finance and Administration
Office of Administrative Responsibility:	Financial Services
Approved By:	Board of Governors

Overview

The Unitized Endowment Pool (UEP) is intended to support current and future beneficiaries in perpetuity. The UEP Spending Policy, University Funds Investment Policy, and UEP Statement of Investment Principles and Beliefs are interrelated and designed to maintain and grow the real value of the UEP over time in order to preserve and enhance the future purchasing power of the assets. The investment goal of the UEP is to achieve a long-term Rate of Return that in Real terms shall equal or exceed the Effective Rate of Spending established in the UEP Spending Policy, and to do so at the level of risk specified in the University Funds Investment Policy.

A prudent level of spending is one that reflects an investment Rate of Return achievable with acceptable levels of risk. The current expected Real investment Rate of Return is between 5.00% and 5.50%. The annual review of the UEP Spending Policy is designed to ensure that it remains appropriate with respect to the UEP's overall goals and objectives.

Purpose

The purpose of this Spending Policy in conjunction with the University Funds Investment Policy is to preserve and to grow the Real value of endowment assets over time, while maintaining a strong and stable level of support to the current generation of beneficiaries.

POLICY

Spending from the UEP shall be in accordance with the following procedures effective fiscal years commencing April 1, 2015:

1. Endowment contributions purchase units in the UEP based on the Unit Market Value (UMV) at the beginning of the month in which the contribution is received. Investment Earnings net of Direct Costs during the fiscal year in which an endowment contribution is received will become Capitalized Investment Earnings.
2. The Annual Spending Allocation is distributed to endowment holders at the beginning of each fiscal year.
3. The Annual Spending Allocation shall be based on the number of units held by each endowment at the end of the fiscal year just completed multiplied by the Base Unit Spending Amount. The Base Unit Spending Amount shall be adjusted annually by the percentage change in Total CPI (Consumer Price Index) for the fiscal year prior to the one just completed, subject to sections 5 and 6 of this policy. The minimum annual CPI adjustment shall be 0.00% and the maximum shall be 5.00%. If the market value of the UEP does not exceed the UEP Inflation Tracking Target by at least 10.0% at the fiscal year end prior to the one just completed, the inflation adjustment shall be 0.00%.
4. The fund shall be subject to such Administrative Assessments as may be approved by the Board from time to time. This Administrative Assessment shall be in addition to the Annual Spending Allocation and Direct Costs associated with the endowment investment program. The administrative assessment rate is presently 0.85% and shall be calculated in accordance with section 3 of this policy.

5. The Annual Spending Allocation, the Administrative Assessment and the Direct Costs will be subject to a minimum 4.0% floor and a maximum 5.5% ceiling of the average UMV for the fiscal year prior to the one just completed multiplied by the total number of units outstanding. If the 5.5% ceiling is breached, the Annual Spending Allocation and the Administrative Assessment will be proportionately reduced to ensure that total spending, including Direct Costs equals 5.5%. If the 4.0% floor is breached, the Annual Spending Allocation and the Administrative Assessment will be proportionately increased to ensure that total spending, including Direct Costs equals 4.0%, subject to section 6 of this policy.
6. The minimum total spending of 4.0% will only apply in fiscal years where the market value of the UEP exceeds the UEP Inflation Tracking Target by at least 15.0% for the fiscal year end prior to the one just completed.
7. In any particular fiscal year should the Rate of Return be less than the Effective Rate of Spending whereby Investment Earnings are insufficient to fund total spending, encroachment of Endowment Principal will be used to fund the deficiency, with the expectation that such amounts will be recovered from future Capitalized Investment Earnings. If pursuant to the review in section 8 of this policy it is determined that the encroachment is no longer temporary, an adjustment will be made to the Annual Spending Allocation and/or the Administrative Assessment.
8. The Board Investment Committee shall review this spending policy on an annual basis for continued appropriateness. As outlined in the Board Investment Committee's Terms of Reference any required changes will be presented to the Board of Governors for approval.

DEFINITIONS

These terms and definitions apply to this policy with no implied or intended institution-wide use.

Administrative Assessment	Indirect cost recovery for centrally funded goods and services that support the activities and development of the endowed programs.
Annual Spending Allocation	Amount allocated to fund the activities of the endowed programs.
Base Unit Spending Amount	The average Unit Market Value (UMV) for the 36 months ending December 31, 2010 multiplied by a spending rate of 3.90%.
Capitalized Investment Earnings	The excess of Investment Earnings less total spending which includes the Annual Spending Allocation, the Administrative Assessment and Direct Costs. Capitalized Investment Earnings will be permanently endowed.
Direct Costs	All expenditures that are directly attributable to the Unitized Endowment Pool's investment program, including but not limited to; external investment manager costs, custodial bank charges, consulting fees and the costs of the Investment & Treasury unit within Financial Services.
Effective Rate of Spending	The total of the Administrative Assessment, Annual Spending Allocation, and Direct Costs expressed as a percentage of the market value of the assets in the Unitized Endowment Pool.
Endowment Principal	The total of endowment contributions and cumulative Capitalized Investment Earnings.

Inflation Tracking Target	Total cumulative endowment contributions indexed by Total CPI.
Investment Earnings	The total of realized and unrealized investment earnings and losses on the assets of the UEP for any given fiscal year; where realized investment earnings and losses are typically made up of interest, dividends, rents and capital gains/losses arising from the sale of investments; unrealized investment earnings and losses represent the change in fair value of assets held.
Rate of Return	The percentage change in the value of an asset, including interest and dividends, over an evaluation period.
Real	Used in conjunction with asset values and rates of return and restates these nominal amounts for movements in the consumer price index.
Total CPI (Consumer Price Index)	A Statistics Canada index of retail prices for goods and services. Increases in the CPI are also referred to as increases in the cost of living and are directly correlated to increases in inflation. As published by the Bank of Canada at: http://www.bank-banque-canada.ca/en/cpi.html
Unit Market Value	The value of one unit in the Unitized Endowment Pool, calculated monthly by taking the market value of the assets held in the UEP and dividing that amount by the number of units outstanding.
Unitized Endowment Pool (UEP)	The pooling of investment assets accumulated by or donated to the University for endowment purposes to facilitate investment management and administration of the funds.

RELATED LINKS

Should a link fail, please contact the policy's Office of Administrative Responsibility (see header).

[Endowment Procedures](#)

[Legal and Administrative Aspects of Endowments](#)

[Statement of Investment Principles and Beliefs](#)

[Unitized Endowment Pool Implementation Guidelines](#)

[Unitized Endowment Pool Spending Allocation Estimator](#)

[University Funds Investment Policy](#)

Approved:

November 26, 2014 by Board Investment Committee

December 10, 2014 by Board of Governors

Unitized Endowment Pool (UEP) Spending Policy

Office of Accountability:	Vice-President Finance and Administration
Office of Administrative Responsibility:	Financial Services
Approved By:	Board of Governors

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[University Funds Investment Policy](#)

Approved:

~~February 24, 2013~~ [November 26, 2014](#) by Board Investment Committee

~~March 15, 2013~~ [December 10, 2014](#) by Board of Governors

Unitized Endowment Pool (UEP) Spending Policy

Office of Accountability:	Vice-President Finance and Administration
Office of Administrative Responsibility:	Financial Services
Approved By:	Board of Governors

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7. In any particular fiscal year should the Rate of Return be less than the Effective Rate of Spending whereby Investment Earnings are insufficient to fund total spending, encroachment of Endowment Principal will be used to fund the deficiency, with the expectation that such amounts will be recovered from future Capitalized Investment Earnings. If pursuant to the review in section 8 of this policy it is determined that the encroachment is no longer temporary, an adjustment will be made to the Annual Spending Allocation and/or the Administrative Assessment.
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Real	Used in conjunction with asset values and rates of return and restates these nominal amounts for movements in the consumer price index.
Total CPI (Consumer Price Index)	A Statistics Canada index of retail prices for goods and services. Increases in the CPI are also referred to as increases in the cost of living and are directly correlated to increases in inflation. As published by the Bank of Canada at: http://www.bank-banque-canada.ca/en/cpi.html
Unit Market Value	The value of one unit in the Unitized Endowment Pool, calculated monthly by taking the market value of the assets held in the UEP and dividing that amount by the number of units outstanding.
Unitized Endowment Pool (UEP)	The pooling of investment assets accumulated by or donated to the University for endowment purposes to facilitate investment management and administration of the funds.

RELATED LINKS

Should a link fail, please contact the policy's Office of Administrative Responsibility (see header).

[Endowment Procedures](#)

[Legal and Administrative Aspects of Endowments](#)

[Statement of Investment Principles and Beliefs](#)

[Unitized Endowment Pool Implementation Guidelines](#)

[Unitized Endowment Pool Spending Allocation Estimator](#)

[University Funds Investment Policy](#)

Approved:

February 21, 2013 by Board Investment Committee

March 15, 2013 by Board of Governors

OUTLINE OF ISSUE

Agenda Title: **Board Safety, Health and Environment Committee Terms of Reference**

Motion: 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.

Item

Action Requested	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Recommendation <input type="checkbox"/> Discussion/Advice <input type="checkbox"/> Information
Proposed by	Steven LePoole, Chair, Board Safety, Health and Environment Committee
Presenter	Steven LePoole
Subject	Review of Committee Terms of Reference

Details

Responsibility	University Governance
The Purpose of the Proposal is (please be specific)	To review the Committee Terms of Reference and approve proposed changes.
The Impact of the Proposal is	The revised Terms of Reference include a change to Committee Composition appointing the Associate Vice-President (Risk Management Services) as a non-voting member of the Committee.
Replaces/Revises (eg, policies, resolutions)	Current Terms of Reference.
Timeline/Implementation Date	Upon Board of Governors approval.
Estimated Cost	n/a
Sources of Funding	n/a
Notes	

Alignment/Compliance

Alignment with Guiding Documents	
Compliance with Legislation, Policy and/or Procedure Relevant to the Proposal (please quote legislation and include identifying section numbers)	<p>1. <i>Post Secondary Learning Act (PSLA)</i>, Section 60 (1)(b): "The Board of a public post-secondary institution shall develop, manage and operate, alone or in cooperation with any person or organization, programs, services and facilities for the educational or cultural advancement of the people of Alberta."</p> <p>2. <i>Board of Governors General Terms of Reference</i>, Section b: "The Board has delegated to each Committee responsibility and authority to make decisions on behalf of the Board in the Committee's defined area of responsibility except to the extent that such authority has been specifically limited by the Board in the Terms of Reference for the Committee." ... "...issues which remain with the Board or which would be referred by a Committee to the Board would generally be in the nature of...any matter involving an alteration in the mandate, terms of reference, membership, or structure of a Committee;..."</p> <p>3. <i>Board Safety, Health and Environment Committee Terms of Reference</i>:</p>

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	<p>3. MANDATE OF THE COMMITTEE</p> <p>Except as provided in paragraph 4 hereof and in the Board's General Committee Terms of Reference, the Committee shall monitor, evaluate, advise and make decisions on behalf of the Board with respect to all matters concerning environmental health and the protection of the health, safety and security of the University community and the general public at the University. The Committee shall also consider any other matter delegated to the Committee by the Board.</p> <p>Without limiting the generality of the foregoing the Committee shall:</p> <p>h) review on an annual basis the terms of reference for the Committee and recommend to the Board any required changes.</p>
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Routing (Include meeting dates)

Consultative Route	
Approval Route (Governance) (including meeting dates)	<p>Board Safety, Health and Environment Committee – Sept 30, 2014</p> <p>Board Safety, Health and Environment Committee – November 18, 2014 (for recommendation)</p> <p>Board of Governors – December 10, 2014 (for approval)</p>
Final Approver	Board of Governors

Attachments:

1. Board Safety, Health and Environment Committee Terms of Reference – showing edits (3 pages)
2. Board Safety, Health and Environment Committee Terms of Reference – without edits (3 pages)

Prepared by: Juli Zinken, Assistant Board Secretary and Committee Coordinator, juli.zinken@ualberta.ca



BOARD SAFETY, HEALTH AND ENVIRONMENT COMMITTEE Terms of Reference

1. Authority

- a) The Board Safety, Health and Environment Committee (the "Committee") is created by and responsible to the Board of Governors (the "Board") of the University of Alberta (the "University")
- b) University Governance shall provide administrative support to the Committee.
- c) The Committee shall function in accordance with the Board's General Committee Terms of Reference.

2. Composition of Committee

- a) Voting Members appointed by the Board (ordinarily a maximum of 11 voting members)
 - (1) Two Board members from the membership categories identified by the *Alberta Post-Secondary Learning Act (the Act)* as *general public, alumni and Senate*
 - (2) A Board member from the membership category identified by the Act as *academic staff of the University*
 - (3) A Board member or designate from the membership category identified by the Act as *students nominated by the council of the students association*
 - (4) A Board member or designate from the membership category identified by the Act as *graduate student nominated by the council of the association*
 - (5) Board member or designate from the membership category identified by the Act as *member of the non-academic staff*
 - (6) Two members of the general public with specific expertise in the area of environmental health and safety.
 - (7) The Board Chair, by virtue of office
 - (8) The President and Vice-Chancellor, by virtue of office
 - (9) The Chancellor, by virtue of office
- b) Non-Voting Officials appointed by the President
 - (1) Vice-President (Finance and Administration)
 - (2) **Associate Vice-President (Risk Management Services)**
 - (3) University Secretary
 - (4) Committee Secretary
 - (5) Other officers, as determined by the President
- c) The Board of Governors shall appoint the Committee Chair from the Committee membership category 2(a)(1), upon the recommendation of the Board Chair.
- d) The Committee shall designate the Vice-Chair from the Committee membership upon the recommendation of the Board Chair and the Committee Chair. The Vice-Chair undertakes and discharges all duties of the Chair in the absence of the Chair.

3. Mandate of the Committee

Except as provided in paragraph 4 hereof and in the Board's General Committee Terms of Reference, the Committee shall monitor, evaluate, advise and make decisions on behalf of the Board with respect to all matters concerning environmental health and the protection of the health, safety and security of the University community and the general public at the University. The Committee shall also consider any other matter delegated to the Committee by the Board.

Without limiting the generality of the foregoing the Committee shall:

- a) approve University policies and procedures relating to environmental health, safety, and security issues and compliance therewith;
- b) monitor University compliance with all relevant environmental health, safety and security legislation, regulations and University policies and procedures;
- c) review and provide recommendations on the University's enterprise-wide risks and risk measures related to the Committee mandate.
- d) consider and make recommendations on matters pertaining to the University's interaction with government departments or agencies, such as other post-secondary institutions, dealing with environmental health, safety and security issues;
- e) receive and review those elements of the Risk Management Services portfolio plan relevant to the mandate of the Committee;
- f) receive for information, review and provide recommendations on management or other reports relating to environmental health, safety and security incidents, trends and outcomes at the University or relevant industries;
- g) receive for information, review and provide recommendations on annual reports from University of Alberta Protective Services, Environmental Health and Safety and the Office of Emergency Management;
- h) receive for information, review, and provide recommendations on management strategies and programs to create a culture of enterprise-wide risk management and compliance at the University relating to environmental, health, safety and security issues; and
- i) review on an annual basis the terms of reference for the Committee and recommend to the Board any required changes.

4. Limitations on delegation by the Board

The general delegation of authority by the Board to the Committee shall be limited as set out in this paragraph. Notwithstanding the general delegation of authority to the Committee as set out in paragraph 3, the Board shall make all decisions with respect to

issues that pose or may reasonably be expected to pose significant risk to the health and safety of individuals and policies related thereto.

5. Reporting to the Board

As provided in the Board's General Terms of Reference the Committee shall regularly report to the Board on its activities and decisions including the University's compliance with respect to those statutory and regulatory responsibilities within the mandate of the Committee.

The Committee shall review, evaluate and provide information and recommendations to the Board where the Board is making decisions generally related to the Committee's areas of responsibility.

Decision History:

Date	Decision-Maker	Decision
2008-10-08	Board Safety, Health and Environment Committee	Recommendation to the Board
2008-11-07	Board of Governors	Approved
2011-02-15	Board Safety, Health and Environment Committee	Recommendation to the Board
2011-03-18	Board of Governors	Pending Approval
2011-09-27	Board Safety, Health and Environment Committee	Recommendation to the Board
2011-10-21	Board of Governors	Approved
2012-11-28	President / Chair of Board Safety, Health and Environment Committee	Addition to Non-Voting Officials
2013-09-24	Board Safety, Health and Environment Committee	Recommendation to the Board
2013-10-18	Board of Governors	Approved



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 - (3) A Board member or designate from the membership category identified by the Act as *students nominated by the council of the students association*
 - (4) A Board member or designate from the membership category identified by the Act as *graduate student nominated by the council of the association*
 - (5) Board member or designate from the membership category identified by the Act as *member of the non-academic staff*
 - (6) Two members of the general public with specific expertise in the area of environmental health and safety.
 - (7) The Board Chair, by virtue of office
 - (8) The President and Vice-Chancellor, by virtue of office
 - (9) The Chancellor, by virtue of office
- b) Non-Voting Officials appointed by the President
 - (1) Vice-President (Finance and Administration)
 - (2) Associate Vice-President (Risk Management Services)
 - (3) University Secretary
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- c) The Board of Governors shall appoint the Committee Chair from the Committee membership category 2(a)(1), upon the recommendation of the Board Chair.
- d) The Committee shall designate the Vice-Chair from the Committee membership upon the recommendation of the Board Chair and the Committee Chair. The Vice-Chair undertakes and discharges all duties of the Chair in the absence of the Chair.

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- d) consider and make recommendations on matters pertaining to the University's interaction with government departments or agencies, such as other post-secondary institutions, dealing with environmental health, safety and security issues;
- e) receive and review those elements of the Risk Management Services portfolio plan relevant to the mandate of the Committee;
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- g) receive for information, review and provide recommendations on annual reports from University of Alberta Protective Services, Environmental Health and Safety and the Office of Emergency Management;
- h) receive for information, review, and provide recommendations on management strategies and programs to create a culture of enterprise-wide risk management and compliance at the University relating to environmental, health, safety and security issues; and
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2011-10-21	Board of Governors	Approved
2012-11-28	President / Chair of Board Safety, Health and Environment Committee	Addition to Non-Voting Officials
2013-09-24	Board Safety, Health and Environment Committee	Recommendation to the Board
2013-10-18	Board of Governors	Approved

OUTLINE OF ISSUE

Agenda Title: **Board Committee Appointments**

Motion: THAT the Board of Governors, on the recommendation of the Board Chair, Mr Douglas Goss, approve Board Committee appointments, as set forth in Attachment 1 to the agenda documentation.

Item

Action Requested	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Recommendation <input type="checkbox"/> Discussion/Advice <input type="checkbox"/> Information
Proposed by	Mr Douglas Goss, Chair, Board of Governors
Presenter	Douglas Goss, Board Chair
Subject	Appointments to Board Committees

Details

Responsibility	Chair of the Board of Governors
The Purpose of the Proposal is (please be specific)	To consider the appointment of Mr David Cooper, recently appointed Academic Staff representative on the Board of Governors, to Board Committees.
The Impact of the Proposal is	To ensure that the Committees' membership reflects the appropriate Terms of Reference and Board of Governors' membership roster.
Replaces/Revises (eg, policies, resolutions)	Replaces the current 2014-2015 Committee Membership List approved at the October 24, 2014 Board meeting.
Timeline/Implementation Date	Effective upon approval.
Estimated Cost	n/a
Sources of Funding	n/a
Notes	The Board of Governors reviews recommendations of the Board Chair for appointments to the Board Standing Committees.

Alignment/Compliance

Alignment with Guiding Documents	Mandates and Roles for the Board of Governors, <i>Dare to Discover</i> , Comprehensive Institutional Plan
Compliance with Legislation, Policy and/or Procedure Relevant to the Proposal (please quote legislation and include identifying section numbers)	<p><u>The Board's General Terms of Reference for Board Standing Committees, Sections 3 and 4 state:</u></p> <p>3. <i>A member of a Committee shall be appointed by the Board for a term commencing on a date selected by the Board and expiring on the earliest of:</i></p> <ul style="list-style-type: none"> (i) <i>the effective date of the resignation of that member from the Board;</i> (ii) <i>the effective date of the resignation of that member from that Committee;</i> (iii) <i>a date selected by the Board;</i> (iv) <i>the expiry date of the term of the appointment of a non-Board member to the Committee; and</i> (v) <i>the effective date of a general appointment of all members to that committee (ordinarily the first Board meeting in June).</i> <p><i>A member of a Committee is eligible to be reappointed to that Committee.</i></p> <p>4. <i>There shall be members of each Committee who are Board members; non-Board members may be drawn from the University Senate and elsewhere within the University or from the community as the Board considers may be appropriate or as may be provided in the Committee's terms of reference. Where the terms of reference of a Committee provide for a number of</i></p>

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	<i>members in excess of those specifically required to be represented on the Committee, additional members may, subject to the foregoing, be appointed from any constituency.</i>
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Routing (Include meeting dates)

Consultative Route (parties who have seen the proposal and in what capacity)	Board Chair (and consultation with Members of the Board of Governors)
Approval Route (Governance)	Board of Governors, December 10, 2014 (for approval)
Final Approver	Board of Governors, December 10, 2014

Attachment:

1. Proposed 2014-2015 Board of Governors Committee Membership (1 page) – for approval

Prepared by: Juli Zinken, Assistant Board Secretary, University Governance

ADVANCEMENT BOARD COMMITTEE**

Chair: Doug Goss
Vice-Chair: Dick Wilson
Ray Muzyka
Nizar Somji

**Additional external members sit on the committee with these Board members.

AUDIT COMMITTEE

Chair: Michael Ross
Vice-Chair: Dick Wilson
*Gordon Clanachan (November 22, 2015)
Jane Halford
Shenaz Jeraj
*Stuart Lee (August 30, 2016)
Nizar Somji
Robert Teskey

FINANCE & PROPERTY COMMITTEE

Chair: Dick Wilson
Vice-Chair: Steven LePoole
Nathan Andrews
*Robert Borelli (June 30, 2017)
Sangram Hansra
Barry James
Christopher Pu
~~Wayne Renke~~ David Cooper

HUMAN RESOURCES & COMPENSATION COMMITTEE

Chair: Robert Teskey
Vice-Chair: Shenaz Jeraj
James Heelan
Michael Ross
Dick Wilson

INVESTMENT COMMITTEE

Chair: *Dave Lawson (June 30, 2017)
Vice-Chair: *Jim Drinkwater (June 30, 2016)
*Ken Bancroft (June 30, 2015)
*Barbara Belch (June 30, 2016)
*John Butler (June 30, 2016)
Jane Halford
James Heelan
*Allister McPherson (June 30, 2015)
*Sandy McPherson (June 30, 2015)

LEARNING AND DISCOVERY COMMITTEE

Chair: Shenaz Jeraj
Vice-Chair: TBD
Nathan Andrews
Miodrag (Mike) Belosevic
LeRoy Johnson
William Lau
Ray Muzyka
Rob Parks

SAFETY, HEALTH & ENVIRONMENT COMMITTEE

Chair: Steven LePoole
Vice-Chair: *Gordon Winkel (June 30, 2016)
Simarjit (Monty) Bal (GSA designate) (June 30, 2015)
*Dave Ferro (December 13, 2016)
LeRoy Johnson
William Lau
Christopher Pu
~~Wayne Renke~~ David Cooper

UNIVERSITY RELATIONS COMMITTEE

Chair: Robert Teskey
Vice-Chair: TBD
Nathan Andrews
Miodrag (Mike) Belosevic
Sangram Hansra
Barry James
LeRoy Johnson
*Catrin Owen (June 30, 2017)
Rob Parks
Christopher Pu
Nizar Somji

Ex Officio Members on all Board Committees: Douglas Goss, Board Chair
Indira Samarasekera, President
Ralph Young, Chancellor

BOARD REPRESENTATION ON UNIVERSITY COMMITTEES

Senate: James Heelan, Shenaz Jeraj
Edmonton Community Foundation Nominating Committee: Rob Parks (to June 30, 2017)

* Denotes External Member on a Board Committee

For Board of Governors Approval: December 10, 2014