



UNIVERSITY OF ALBERTA

UNIVERSITY GOVERNANCE

Board of Governors Open Session Minutes

Monday, May 25, 2020
By videoconference / teleconference
11:00 AM - 12:00 PM

ATTENDEES:

Voting Members:

Kate Chisholm	Appointed Chair, General Public
Guy Bridgeman	Appointed Vice-Chair, General Public
Joel Agarwal	Appointed Member, President, Students' Union
Katherine Binhammer	Appointed Member, Academic Staff Representative (GFC Appointee)
Charlene Butler	Appointed Member, University of Alberta Senate Representative
Daniel Eggert	Appointed Member, General Public
Mona Hale	Appointed Member, General Public
David Konrad	Appointed Member, Undergraduate Board of Governors Representative
Janice MacKinnon	Appointed Member, General Public
Ray Muzyka	Appointed Member, General Public
Thomas (Tom) Ross	Appointed Member, General Public
Rakesh Saraf	Appointed Member, General Public
Douglas Stollery	Appointed Member, Chancellor, University of Alberta
Robert Ryan Thompson	Appointed Member, University of Alberta Alumni Association Representative
David Turpin	Appointed Member, President and Vice-Chancellor, University of Alberta
Marc Waddingham	Appointed Member, President, Graduate Students' Association
Paul Whittaker	Appointed Member, General Public
Donna Wilson	Appointed Member, Academic Staff Representative (AASUA Appointee)

Non-Voting Officials Appointed by the President:

Steven Dew	Provost and Vice-President (Academic)
Walter Dixon	Interim Vice-President (Research and Innovation)
Marion Haggarty-France	University Secretary (University Governance)
Brad Hamdon	General Counsel
Gitta Kulczycki	Vice-President (Finance and Administration)
Andrew Sharman	Vice-President (Facilities and Operations)
Kelly Spencer	Interim Vice-President (Advancement)
Catherine Swindlehurst	Interim Vice-President (University Relations) & Chief of Staff (President's Office)
Juli Zinken	Board Secretary and Manager of Board Services (University Governance)

Presenter(s):

Martin Coutts	Associate Vice-President (Finance and Supply Management Services)
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Staff(s):

Erin Plume, Assistant Board Secretary (University Governance)

Observer(s):

Bill Flanagan, President-Elect

IN CAMERA SESSION OF VOTING MEMBERS ONLY

Voting members met, *in camera*.

OPENING SESSION

The Chair welcomed members and guests and acknowledged all Indigenous peoples and the traditional lands from where Board members were gathering.

The Chair then acknowledged Chancellor Douglas Stollery, who was attending his last Board of Governors' meeting before the end of his term in June. She led the Board in thanking Chancellor Stollery for his service as a leader in the university community, Chair of the Senate, and wise counsel on the Board of Governors for the past four years, and indicated that the Board hoped to be able to celebrate the Chancellor in person in the coming months.

1. Chair's Session

Presenter(s): Kate Chisholm

1a. Call to Order and Confirmation of Quorum

Presenter(s): Kate Chisholm

The Chair called the meeting to order at 11:10 am, and the Board Secretary confirmed that the attendance constituted quorum.

2. Approval of the Agenda

Materials before members are contained in the official meeting file.

Presenter(s): Kate Chisholm

The motion was moved and seconded.

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

CARRIED

3. Conflict of Interest - Opportunity for Declaration Related to the Agenda

Presenter(s): Kate Chisholm

The Chair made note of the following:

- The University of Alberta has a Code of Conduct in place regarding Board members' obligations respecting conflict of interest, and Board and Board Committee members make annual disclosures in this regard.
- In addition, Board members must declare any conflict related to the Board Agenda of each meeting and, in the event of such conflict, absent themselves from the discussion and voting on the item.
- The *Post-secondary Learning Act*, Section 16(5) states that: The members of the board must act in the best interests of the university.

The Chair invited members to declare conflicts of interest related to the Open Session Agenda of the meeting. Seeing none, the Chair declared the question asked and answered.

ACTION ITEMS

4. Report of the Audit and Risk Committee

Presenter(s): Charlene Butler

4a. Management's Annual Audited Financial Statements (Draft) and review Financial Statement Discussion and Analysis (Draft)

Materials before members are contained in the official meeting file.

Presenter(s): Gitta Kulczycki; Martin Coutts

Purpose of the Proposal: To approve the audited Consolidated Financial Statements as required by the *Post-Secondary Learning Act*.

Discussion:

Ms Butler introduced the item and informed the Board that the Audit and Risk Committee had met earlier that morning, discussed the financial statements with the External Auditor, and recommended approval of the statements to the Board of Governors.

Mr Coutts presented an overview of the draft financial statements. He reviewed components of the university's 2019-20 net assets, reminding members of the restricted use of internally restricted net assets, and noting that net assets had decreased from the prior year mainly due to a decrease in the fair value of endowments. He then reviewed the annual operating surplus (deficit) variance to budget, noting that this was primarily due to a decrease in the Campus Alberta operating grant, lower investment income from the realization of capital losses, and higher pension expense caused by higher plan expenses.

Finally, Mr Coutts reviewed highlights specific to the 2019-20 financial statements, including: that the university still has a low financial liquidity risk even in the worst case scenario, and that the external auditors were satisfied with that; explaining the future impact of the decline in market value of Universities Academic Pension Plan (UAPP) assets; and clarifying that Note 24, the subsequent events note regarding COVID-19, was standard for all Alberta post-secondary institutions to demonstrate the financial statements' lack of predictive value going forward.

Ms Kulczycki, Mr Coutts, Mr Sharman, and the Board Chair responded to questions from the Board regarding: the reason that the UAPP was flagged as a major issue in these statements; why all employee salaries, including administration, teaching, and research staff, are reported together within the financial statements when the report and recommendations of the Blue Ribbon Panel on Alberta's Finances focused on administrative costs; how the Board and other stakeholders are addressing the discrepancy between deferred maintenance costs and Infrastructure Maintenance Program (IMP) funding; the consequences for an unbalanced budget and whether that requirement is for the operating or consolidated budget; whether there will be any latitude on that requirement given the impact of COVID-19; and who has the authority to sign-off on the university's Investment Management Agreement.

The motion was moved and seconded.

THAT the Board of Governors, on the recommendation of the Board Audit and Risk Committee, approve the Audited Consolidated Financial Statements for the year ended March 31, 2020, as set forth in Attachment 1.
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CARRIED

CLOSING SESSION

5. Adjournment

Presenter(s): Kate Chisholm

The Chair adjourned the Open Session at 11:45 am.

IN CAMERA SESSION OF VOTING MEMBERS ONLY

Voting members met, *in camera*.