



UNIVERSITY OF ALBERTA

UNIVERSITY GOVERNANCE

Board of Governors
Board of Governors (Special Meeting)
Open Session Minutes

Monday, May 29, 2017
2-31 South Academic Building (SAB)
11:00 AM - 12:00 PM

ATTENDEES:

Voting Members:

Michael Phair	Appointed Chair, General Public
Dick Wilson	Appointed Vice-Chair, General Public
Marina Banister	Appointed Member, President (Students' Union)
Matthew Barnett	Appointed Member, Non-Academic Staff Representative (NASA Appointee)
David Cooper	Appointed Member, Academic Staff Representative (AASUA Appointee)
Dominique Grégoire	Appointed Member, General Public
Barry James	Appointed Member, University of Alberta Senate Representative
LeRoy Johnson	Appointed Member, General Public
Raymond Muzyka	Appointed Member, General Public
Lynne Paradis	Appointed Member, General Public
Robert Parks	Appointed Member, University of Alberta Alumni Association Representative
Jeremy Richards	Appointed Member, Academic Staff Representative (GFC Appointee)
Michael Sandare	Appointed Member, Undergraduate Board of Governors Representative
Babak Soltannia	Appointed Member, President (Graduate Students' Association)
Zahra Somani	Appointed Member, General Public
Sheri Somerville	Appointed Member, General Public
Douglas Stollery	Appointed Member, Chancellor
Glenn Stowkowy	Appointed Member, University of Alberta Alumni Association Representative
David Turpin	Appointed Member, President and Vice-Chancellor

Non-Voting Officials Appointed by the President:

Lorne Babiuk	Vice-President (Research)
Steven Dew	Provost and Vice-President (Academic)
Marion Haggarty-France	University Secretary
Brad Hamdon	General Counsel
Gitta Kulczycki	Vice-President (Finance and Administration)
Heather McCaw	Vice-President (Advancement)
Andrew Sharman	Vice-President (Facilities and Operations)
Catherine Swindlehurst	Chief of Staff (President's Office)
Jacqui Tam	Vice-President, University Relations (Interim)
Juli Zinken	Board Secretary and Manager of Board Services

Regrets:

Lynn Parish	Appointed Member, General Public
Owen Tobert	Appointed Member, General Public

Presenter(s):

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

Erin Plume, Assistant Board Secretary

OPENING SESSION

1. Call to Order

Presenter(s): Michael Phair

The Chair called the meeting to order at 11:00 am. The Board Secretary confirmed that attendance constituted a quorum. He welcomed members and guests and, in particular, welcomed Mr Babak Soltannia, new President of the Graduate Students' Association, to his first Board of Governors' meeting.

The Chair then informed the Board that this would be Dr Jeremy Richards' final Board of Governors' meeting and reviewed Dr Richards' contributions to the Board of Governors and its committees. In recognition of Dr Richards' service, the Chair presented him with the gift of a book donation in his name to the University's *Peel's Prairie Provinces* digital library collection: "A Canadian geologist" by William James Loudon, as well as a print selected from a portfolio of prints produced in the University's Department of Art and Design printmaking studios by senior students, graduate printmaking students, visiting artists and teaching staff. Board members thanked Dr Richards for his service to the university and the Board.

2. Approval of the Agenda

Materials before members are contained in the official meeting file.

Presenter(s): Michael Phair

The motion was moved and seconded.

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

CARRIED

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

Presenter(s): Michael Phair

The Chair made note of the following:

- The University of Alberta has policy and procedure in place for Conflict of Interest and Conflict of Commitment, and Board members make annual disclosures.
- In addition, Board members must declare any conflict related to the Board agenda of each meeting and, in the event of such conflict, absent themselves from the discussion and voting on the item.
- The *Post-secondary Learning Act*, Section 16(5) states that: The members of the board must act in the best interests of the university.

The Chair invited members to declare conflicts of interest related to the Open Session agenda of the meeting. Mr James reminded members that he is the Chair of the Audit Committee for the Province of Alberta and that the financial statements of the University are approved by this committee; Mr Stowkowy declared a general conflict in that his firm does work for the University of Alberta.

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

ACTION ITEMS

4. Report of the Audit Committee

Presenter(s): Dick Wilson

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:

Mr Wilson introduced the item, noting that the presentation of endowments was improved since last year's statements and that the Audit Committee had recommended an amendment to page two of the Financial Statement Discussion and Analysis to provide further clarification regarding donations and other grants in the comments under "Revenue".

Mr Coutts reviewed the statements, noting that the university's annual operating surplus was \$25.1M with an accumulated deficit from operations of \$16.1M. He provided an overview of net debt and net assets for members and then described the change in presentation on the consolidated statement of financial position to allow for a net financial asset / net debt calculation before and after the inclusion of endowment investments.

Ms Kulczycki and Mr Coutts responded to questions from Board members regarding: pension liabilities and ownership of liability and surplus; whether net debt/net assets are historical amortized or fair value and whether there was an intent to change these; how the breakdown of categories in the "expense by function" graph was determined, and whether it would be helpful to indicate on the statements how the research category was calculated; identification of the top three issues the Board should be most concerned about; whether there was a question administration was hoping Board members wouldn't ask; clarification that endowments were restricted in perpetuity; and whether the accumulated deficit included deferred maintenance liability.

The motion was moved and seconded.

THAT the Board of Governors, on the recommendation of the Board Audit Committee, approve the Audited Consolidated Financial Statements for the year ended March 31, 2017, as set forth in Attachment 1, as amended.

CARRIED

Mr James abstained.

CLOSING SESSION

5. Adjournment

Presenter(s): Michael Phair

The Chair adjourned the Open Session at 11:40 am.