



# UNIVERSITY OF ALBERTA

## UNIVERSITY GOVERNANCE

### Board of Governors Open Session Minutes

Monday, May 28, 2018  
2-31 South Academic Building (SAB)  
11:00 AM - 12:00 PM

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#### **ATTENDEES:**

##### Voting Members:

Michael Phair	Appointed Chair, General Public
Lynn Parish	Appointed Vice-Chair, General Public
Matthew Barnett	Appointed Member, Non-Academic Staff Representative (NASA Appointee)
Mary Pat Barry	Appointed Member, University of Alberta Alumni Association Representative
Charlene Butler	Appointed Member, University of Alberta Senate Representative
David Cooper	Appointed Member, Academic Staff Representative (AASUA Appointee)
Levi Flaman	Appointed Member, Undergraduate Board of Governors Representative
Dominique Grégoire	Appointed Member, General Public
Reed Larsen	Appointed Member, President (Students' Union)
Kirk MacLeod	Appointed Member, General Public
Ray Muzyka	Appointed Member, General Public
Lynne Paradis	Appointed Member, General Public
Zahra Somani	Appointed Member, General Public
Douglas Stollery	Appointed Member, Chancellor
Glenn Stowkowy	Appointed Member, University of Alberta Alumni Association Representative
Owen Tobert	Appointed Member, General Public
David Turpin	Appointed Member, President and Vice-Chancellor
Sasha van der Klein	Appointed Member, President, Graduate Students' Association

##### Non-Voting Officials Appointed by the President:

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)
Matthias Ruth	Vice-President (Research)
Andrew Sharman	Vice-President (Facilities and Operations)
Catherine Swindlehurst	Chief of Staff (President's Office)
Jacqui Tam	Vice-President (University Relations)
Juli Zinken	Secretary and Manager, Services, Committee Officer

##### Regrets:

Katherine Binhammer	Appointed Member, Academic Staff Representative (General Faculties Council)
Sheri Somerville	Appointed Member, General Public
Claudette Tardif	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. The Chair then welcomed members and guests and, in particular, welcomed Dr Matthias Ruth, the university's new Vice-President (Research), to his first Board of Governors' meeting.

### 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 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):* Dominique Grégoire

#### 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 Kulczycki introduced the item and Mr Coutts reviewed the statements, noting that the university ended the year with an annual surplus of \$106 million but that, of this amount, \$53.2 million were donations directed to endowments and endowment capitalized investment income and therefore not available for spending. He reviewed in detail the annual operating surplus of \$52.8 million, noting that it was applied to employee future benefits and ancillaries, as well as carry-forward balances from faculties and units, and that the adjusted surplus would be used primarily for capital acquisitions related to teaching and research as well as debt repayment.

Board Audit Committee Chair Dominique Grégoire briefed the Board on changes recommended by the Board Audit Committee to the unfunded pension liability analysis on page six of the material: to change the word “will” to “is required to be” and to include a sensitivity analysis.

Ms Kulczycki then spoke to other changes recommended by the Board Audit Committee to Note 17, *Related parties*, on page 27 of the material: to change the words “university is controlled by” to “university’s accounts are consolidated with” and then to remove “the entity which controls the university, and by a number of entities under common control” to “other related parties”.

Ms Kulczycki and Mr Coutts responded to questions from Board members regarding: carry-forwards, whether they are usually spent, and whether or not there is a process of accountability and expectations of units; what “VPs Portfolio flex” entails and the reason for that area’s carry-forward; and why the actual operating surplus in the annual financial results differs from the budgeted surplus.

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, 2018, as set forth in Attachment 1, as amended.

**CARRIED**

**CLOSING SESSION**

5. Adjournment

*Presenter(s):* Michael Phair

The Chair adjourned the meeting at 10:45 am.