



The following Motions and Documents were considered by the Board Finance and Property Committee at its Tuesday, October 01, 2013 meeting:

Agenda Title: **Board Finance and Property Committee Terms of Reference**

APPROVED MOTION:

THAT the Board Finance and Property Committee recommend that the Board of Governors approve the proposed changes to the Committee's Terms of Reference, as set forth in Attachment 1.

Final recommended item: 5.

Agenda Title: **2013-14 Workplan for the Board Finance and Property Committee**

APPROVED MOTION:

THAT the Board Finance and Property Committee approve the proposed changes to the Committee's 2013-14 WorkPlan, as set forth in Attachment 1, with the change from "University Governance Budget Briefing" to "University Budget Briefing."

Final approved item: 6.

Agenda Title: **Appointment of Committee Vice-Chair**

APPROVED MOTION:

THAT the Board Finance and Property Committee appoint Steven LePoole as Vice-Chair of the Board Finance and Property Committee, effective immediately.

Final approved item: 7.

Agenda Title: **Supplemental Capital Expenditure Authorization Request (CEAR) for Innovation Centre for Engineering (ICE) Fit-Out Construction**

APPROVED MOTION:

THAT the Board Finance and Property Committee recommend that the Board of Governors approve an additional supplemental expenditure of forty-four million, six hundred and forty thousand dollars (\$44,640,000) in Canadian funds for a total revised project cost of one hundred and thirty four million, four hundred thousand (\$134,400,000), for the construction and fit-out of the Innovation Centre for Engineering (ICE).

Final recommended item: 8.

Agenda Title: **Innovation Centre for Engineering (ICE) Fit-Out Construction - Internal Loan Borrowing Resolution**

APPROVED MOTION:

THAT the Board Finance and Property Committee recommend that the Board of Governors approve an internal loan for up to \$15,000,000 with a term up to 2 years for the construction of the Innovation Centre for

Engineering (ICE).

Final recommended item: 9.

OUTLINE OF ISSUE

Agenda Title: **Revised Committee Terms of Reference**

Motion: THAT the Board Finance and Property Committee recommend that the Board of Governors approve the proposed changes to the Committee's Terms of Reference, as set forth in Attachment 1.

Item

Action Requested	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Recommendation <input type="checkbox"/> Discussion/Advice <input type="checkbox"/> Information
Proposed by	Dick Wilson, Chair, Board Finance and Property Committee
Presenter	Dick Wilson, Chair, Board Finance and Property Committee
Subject	Review of Recommended Changes to Committee Terms of Reference

Details

Responsibility	University Governance
The Purpose of the Proposal is (please be specific)	To review the proposed changes to the Committee Terms of Reference and recommend them to the Board of Governors.
The Impact of the Proposal is	This proposal will update committee composition to reflect current business practices.
Replaces/Revises (eg, policies, resolutions)	July 2012 version of Committee Terms of Reference.
Timeline/Implementation Date	Immediately upon approval of the Board of Governors.
Estimated Cost	
Sources of Funding	
Notes	

Alignment/Compliance

Alignment with Guiding Documents	
Compliance with Legislation, Policy and/or Procedure Relevant to the Proposal (please <u>quote</u> 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 Finance and Property Committee Terms of Reference</i>: 3. MANDATE OF THE COMMITTEE</p> <p>Except as provided in paragraph 4 and in the Board's General Committee Terms of Reference, the Committee shall monitor, evaluate,</p>

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	<p>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:</p> <p>u) annually review 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	Reviewed by Committee Chair in consultation with Administration and University Governance, Summer 2013.
Approval Route (Governance) (including meeting dates)	Board Finance and Property Committee – October 1, 2013 (for recommendation) Board of Governors – October 18, 2013 (for approval)
Final Approver	Board Finance and Property Committee

Attachments:

1. Board Finance and Property Committee Terms of Reference (version showing edits - 4 pages) – for recommendation
2. Board Finance and Property Committee Terms of Reference (final version - 4 pages) – for recommendation

Prepared by: Geeta Sehgal, Acting Assistant Board Secretary, geeta.sehgal@ualberta.ca



BOARD FINANCE AND PROPERTY COMMITTEE Terms of Reference

1. AUTHORITY

- a) The Board Finance and Property Committee (the “Committee”) is created by and responsible to the Board of Governors (the “Board”) of the University of Alberta (the “University”).
- b) The Vice-President (Finance and Administration) and the Vice-President (Facilities and Operations) shall provide management support to the Committee.
- c) The Committee shall function in accordance with the Board’s General Committee Terms of Reference.

2. COMPOSITION OF THE 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*
 - ~~(2)~~(3) A Board member from the membership category identified by the Act as *non-academic staff of the University*
 - ~~(3)~~(4) Two Board members from the membership category identified by the Act as *students nominated by the council of the students association* or as *graduate student nominated by the council of the association*
 - ~~(4)~~(5) Two One other members of the Board of Governors
 - ~~(5)~~(6) A member of the general public with specific expertise in a field of interest to the Committee
 - ~~(6)~~(7) The Board Chair, by virtue of office
 - ~~(7)~~(8) The President and Vice-Chancellor, by virtue of office
 - ~~(8)~~(9) The Chancellor, by virtue of office
- b) Non-Voting Officials appointed by the President
 - (1) Provost and Vice-President (Academic)
 - ~~(2)~~ Vice-President (Advancement)
 - ~~(3)~~(2) Vice-President (Facilities and Operations)
 - ~~(4)~~(3) Vice-President (Finance and Administration)
 - ~~(5)~~(4) Vice-President (University Relations)
 - ~~(6)~~(5) University Secretary
 - ~~(7)~~(6) Committee Secretary
 - ~~(8)~~(7) Other officers, as determined by the President
- c) One of the members from the Board’s constituencies of general public, or the Senate or the Alumni Association who is a member of the Committee shall also serve as a member of the Audit Committee.

- d) The Board of Governors shall appoint the Committee Chair from the Committee membership category 2(a)(1), upon the recommendation of the Board Chair.
- e) 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 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.

Without limiting the generality of the foregoing, the Committee shall:

Financial

- a) review the quarterly financial statements with respect to operating and capital funds
- b) review and recommend to the Board the Integrated Planning and Budgeting Policy which includes guiding principles for changes to approved budgets and for transfer or reallocation of monies included in approved budgets
- c) review and recommend to the Board the annual and other budgets and major issues of policy related to budgets
- d) review and recommend to the Board tuition and other like fees
- e) approve authorized signing officers in respect of all banking and safekeeping

Facilities and Property

- 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.
- 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.
- h) approve the acquisition or disposal of real property, provided always that any such decision of the Committee shall be reported to the Board and shall only be effective or implemented a minimum of 24 hours following the conclusion of the Board meeting at which the decision of the Committee is reported, and provided the Board has not resolved otherwise

Approved Capital Expenditure Authorization is as follows:

Approval level	Original CEAR or individual Supplemental CEAR Approval Limit	Aggregate Total CEAR and Supplemental CEAR’s Limit (not to exceed)
Directors/Executive Directors F&O	Up to \$500,000	\$750,000

Associate Vice-President (Facilities & Operations)	Up to \$1,000,000	\$2,000,000
Vice-President (Facilities & Operations)	Up to \$2,000,000	\$4,000,000
BFPC	Up to \$7,000,000	\$14,000,000
BG	Over \$7,000,000	Over \$14,000,000

Policies

- i) approve policies for intellectual property and technology transfer
- j) approve policies for construction and supply contracts, policies governing the use of space and planning reports for individual capital projects and receive an annual report on these;
- k) recommend to the Board capital expenditure policies for the committee and for the Board;
- l) approve policies for the control and regulation of pedestrian and vehicle traffic on University lands;
- m) review and approve policies on financial risk management for risks which may jeopardize the achievements of the strategic vision of the University
- n) review and recommend to the Board policies regarding the acquisition, management, control and disposition of University buildings, land and equipment and regarding individual project proposals and the implications of these short and long-range capital plans to the strategic vision of the University

Reports, Advice, Trends

- o) Review and provide recommendations on the University's enterprise-wide risks and risk measures related to the Committee mandate.
- p) monitor trends affecting the University and the implications of those trends on finances and property of the University
- q) annually provide advice to the President, through the Chair of the Board Human Resources and Compensation Committee, with respect to the responsibilities and performance (in relation thereto) of those Vice Presidents whose responsibilities are within the mandate of the Committee
- r) review annual and quarterly reports highlighting progress achieved in implementing the University's current budget and strategic business plan, including appropriate and relevant performance indicators
- s) review planning reports for individual capital projects and receive a quarterly report on these
- t) receive for review an annual report on donations and gifts and monitor performance against fundraising goals
- u) annually review 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 set out in paragraph 3, the Board shall:

- a) approve the guiding principles, budgets and changes to approved budgets and the transfer or reallocation of monies included in approved budgets;
- b) approve the annual and other budgets and major issues of policy related to budgets;
- c) approve capital expenditures of more than \$7 million or more or expenditures which, when combined with other expenditures for the same project, would equal more than \$7 million;
- d) approve capital expenditure policies;
- e) approve tuition and other like fees;

- f) approve policies regarding the acquisition, management, control and disposition of University buildings, land and equipment and regarding individual project proposals and the implications of these short and long-range capital plans to the strategic vision of the University;
- g) review all decisions of the Committee with respect to the acquisition or disposal of real property; after any such review the Board may resolve to overturn or vary any such decision.

5. REPORTING TO THE BOARD

As provided in the Board's General Terms of Reference the Committee shall regularly report to the Board with respect to its activities and decisions.

Decision History:

DATE	DECISION-MAKER	DECISION
2006-11-20	Board Finance and Property Committee	Recommended to Board of Governors
2006-12-8	Board of Governors	Approved
2008-06-10	Board Finance and Property Committee	Recommended to Board of Governors
2008-06-20	Board of Governors	Approved
2008-10-03		Editorial Revisions Made as a Result of CEAR Policy Approved by BFPC/Board
2009-09-16	Board Finance and Property Committee	Recommended to Board of Governors
2009-10-02	Board of Governors	Approved
2011-02-01	Board Finance and Property Committee	Recommended to Board of Governors
2011-02-11	Board of Governors	Approved
2011-09-20	Board Finance and Property Committee	Recommended to Board of Governors
2011-10-21	Board of Governors	Approved
2012-07-12		Editorial Revisions Made as a Result of Changes in Title



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 - (2) A Board member from the membership category identified by the Act as *academic staff of the University*
 - (3) A Board member from the membership category identified by the Act as *non-academic staff of the University*
 - (4) Two Board members from the membership category identified by the Act as *students nominated by the council of the students association* or as *graduate student nominated by the council of the association*
 - (5) One other member of the Board of Governors
 - (6) A member of the general public with specific expertise in a field of interest to the Committee
 - (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
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 - (2) Vice-President (Facilities and Operations)
 - (3) Vice-President (Finance and Administration)
 - (4) Vice-President (University Relations)
 - (5) University Secretary
 - (6) Committee Secretary
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- c) One of the members from the Board's constituencies of general public, or the Senate or the Alumni Association who is a member of the Committee shall also serve as a member of the Audit Committee.
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Financial

- a) review the quarterly financial statements with respect to operating and capital funds
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- d) review and recommend to the Board tuition and other like fees
- e) approve authorized signing officers in respect of all banking and safekeeping

Facilities and Property

- 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.
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BG	Over \$7,000,000	Over \$14,000,000

Policies

- i) approve policies for intellectual property and technology transfer
- j) approve policies for construction and supply contracts, policies governing the use of space and planning reports for individual capital projects and receive an annual report on these;
- k) recommend to the Board capital expenditure policies for the committee and for the Board;
- l) approve policies for the control and regulation of pedestrian and vehicle traffic on University lands;
- m) review and approve policies on financial risk management for risks which may jeopardize the achievements of the strategic vision of the University
- n) review and recommend to the Board policies regarding the acquisition, management, control and disposition of University buildings, land and equipment and regarding individual project proposals and the implications of these short and long-range capital plans to the strategic vision of the University

Reports, Advice, Trends

- o) Review and provide recommendations on the University’s enterprise-wide risks and risk measures related to the Committee mandate.
- p) monitor trends affecting the University and the implications of those trends on finances and property of the University
- q) annually provide advice to the President, through the Chair of the Board Human Resources and Compensation Committee, with respect to the responsibilities and performance (in relation thereto) of those Vice Presidents whose responsibilities are within the mandate of the Committee
- r) review annual and quarterly reports highlighting progress achieved in implementing the University’s current budget and strategic business plan, including appropriate and relevant performance indicators
- s) review planning reports for individual capital projects and receive a quarterly report on these
- t) receive for review an annual report on donations and gifts and monitor performance against fundraising goals
- u) annually review 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 set out in paragraph 3, the Board shall:

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- b) approve the annual and other budgets and major issues of policy related to budgets;
- c) approve capital expenditures of more than \$7 million or more or expenditures which, when combined with other expenditures for the same project, would equal more than \$7 million;
- d) approve capital expenditure policies;
- e) approve tuition and other like fees;
- f) approve policies regarding the acquisition, management, control and disposition of University buildings, land and equipment and regarding individual project proposals and the implications of these short and long-range capital plans to the strategic vision of the University;

- g) review all decisions of the Committee with respect to the acquisition or disposal of real property; after any such review the Board may resolve to overturn or vary any such decision.

5. REPORTING TO THE BOARD

As provided in the Board's General Terms of Reference the Committee shall regularly report to the Board with respect to its activities and decisions.

Decision History:

DATE	DECISION-MAKER	DECISION
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2006-12-8	Board of Governors	Approved
2008-06-10	Board Finance and Property Committee	Recommended to Board of Governors
2008-06-20	Board of Governors	Approved
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2009-09-16	Board Finance and Property Committee	Recommended to Board of Governors
2009-10-02	Board of Governors	Approved
2011-02-01	Board Finance and Property Committee	Recommended to Board of Governors
2011-02-11	Board of Governors	Approved
2011-09-20	Board Finance and Property Committee	Recommended to Board of Governors
2011-10-21	Board of Governors	Approved
2012-07-12		Editorial Revisions Made as a Result of Changes in Title

OUTLINE OF ISSUE

Agenda Title: **Approval of 2013-14 Committee WorkPlan**

Motion: THAT the Board Finance and Property Committee approve the proposed changes to the Committee's 2013-14 WorkPlan, 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	Dick Wilson, Chair, Board Finance and Property Committee
Presenter	Dick Wilson, Chair, Board Finance and Property Committee
Subject	Review of Committee Terms of Reference and Approval of 2013-14 Committee WorkPlan

Details

Responsibility	University Governance
The Purpose of the Proposal is (please be specific)	To review the Committee Terms of Reference and review and approve the 2013-14 Committee WorkPlan
The Impact of the Proposal is	This proposal does not affect the core mandate of the Committee.
Replaces/Revises (eg, policies, resolutions)	Committee-approved 2012-13 WorkPlan
Timeline/Implementation Date	Immediately upon approval
Estimated Cost	
Sources of Funding	
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. Post Secondary Learning Act (PSLA), 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. Board of Governors General Terms of Reference, 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."</p> <p>...</p> <p>"...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. Board Finance and Property Committee Terms of Reference:</p> <p>3. MANDATE OF THE COMMITTEE</p> <p>Except as provided in paragraph 4 and in the Board's General</p>

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	<p>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:</p> <p>u) annually review 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	Reviewed by Committee Chair in consultation with Administration and University Governance, Summer 2013.
Approval Route (Governance) (including meeting dates)	Board Finance and Property Committee – October 1, 2013 (for approval) Board of Governors – October 18, 2013 (for information)
Final Approver	Board Finance and Property Committee

Attachments:

1. Board Finance and Property Committee 2013-14 WorkPlan (showing edits - 4 pages)
2. Board Finance and Property Committee 2013-14 WorkPlan (final version - 4 pages)

Prepared by: Geeta Sehgal, Acting Assistant Board Secretary, geeta.sehgal@ualberta.ca

Financial							
a) review the quarterly financial statements with respect to operating and capital funds		x	x		x		
b) review and recommend to the Board the Integrated Planning and Budgeting Policy which includes guiding principles for changes to approved budgets and for transfer or reallocation of monies included in approved budgets		as required					
c) review and recommend to the Board the annual and other budgets and major issues of policy related to budgets	Comprehensive Institutional Plan (CIP) University Governance Budget Briefing (Board, External, and APC members invited)			x			
	CIP Recommendation				x		
d) review and recommend to the Board tuition and other like fees	Tuition Briefing	x					
	Tuition Recommendation		x				
	Differential Tuition Fees		x				
	GSA/SU Fees					x	
	Student Residence Fees		x				
	Parking Fees		x				
	Mandatory Non-Instructional Fees (MNIF) Report (for information)			x			
	MNIF/ Course Based Fees				x		
e) approve authorized signing officers in respect of all banking and safekeeping	BFPC Chair to approve appointment of UofA representative at annual meeting of Alberta Capital Finance Authority (ACFA)	as required					

Facilities and Property						
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.	Review of capital projects	As required				
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.	Review of capital projects	As required				
h) approve the acquisition or disposal of real property, provided always that any such decision of the Committee shall be reported to the Board and shall only be effective or implemented a minimum of 24 hours following the conclusion of the Board meeting at which the decision of the Committee is reported, and provided the Board has not resolved otherwise	Campus Plan	As required				
	University of Alberta Land Inventory Update					x

Policies		
i) approve policies for intellectual property & technology transfer		As required
j) approve policies for construction and supply contracts, policies governing the use of space and planning reports for individual capital projects and receive an annual report on these		As required
k) recommend to the Board capital expenditure policies for the committee and for the Board		As required
l) approve policies for the control and regulation of pedestrian and vehicle traffic on University lands		As required
m) review and approve policies on financial risk management for risks which may jeopardize the achievements of the strategic vision of the University		As required
n) review and recommend to the Board policies regarding the acquisition, management, control and disposition of University buildings, land and equipment and regarding individual project proposals and the implications of these short and long-range capital plans to the strategic vision of the University		As required

Reports, Advice, Trends							
o) review and provide recommendations on the University's enterprise-wide risks and risk measures related to the Committee mandate	<u>Institutional Risk Indicator Summary and Emerging Risks Underlying all discussions and items before the Committee. BFPC-associated risks are: Economic Conditions and Funding, IT Infrastructure (Software & Hardware), and Physical Infrastructure.</u>	<u>x</u>	x	<u>x</u>	<u>x</u>	<u>x</u>	<u>x</u>
	Institutional Risk Summary						x
p) monitor trends affecting the University and the implications of those trends on finances and property of the University	Review Results of Expert Forum	x					
	Community Engagement Report	x	x		x		x
q) annually provide advice to the President, through the chair of the Board Human Resources and Compensation Committee, with respect to the responsibilities and performance (in relation thereto) of those Vice Presidents whose responsibilities are within the mandate of the Committee	Beginning or end of year				x In- camera		
r) review annual and quarterly reports highlighting progress achieved in implementing the University's current budget and strategic business plan, including appropriate and relevant performance indicators	Comprehensive Institutional Plan (CIP)				x		
	Capitalization of Unrestricted Funds to Permanent Net Asset Endowments	As required					
	TEC Edmonton Annual Report					x	
s) planning reports for individual capital projects and receive a quarterly report on these	Project Management Office Status Reports on University facilities and property (from FAO)	x	x		x		x
t) receive for review an annual report on donations and gifts and monitor performance against fundraising goals.							x
u) annually review the terms of reference for the Committee and recommend to the Board any required changes	Beginning or end of year	x					
Committee Education Opportunities							

Facility Tours: <ul style="list-style-type: none"> Tour of Garneau Tamarack & Pinecrest Residences 						X	
BFPC Orientation		*					
Integrated Planning and Budgeting Process Overview				x			
Financial Statements 101		X				If need- ed	

Financial							
a) review the quarterly financial statements with respect to operating and capital funds		x	x		x		
b) review and recommend to the Board the Integrated Planning and Budgeting Policy which includes guiding principles for changes to approved budgets and for transfer or reallocation of monies included in approved budgets		as required					
c) review and recommend to the Board the annual and other budgets and major issues of policy related to budgets	University Governance Budget Briefing (Board, External, and APC members invited)			x			
	CIP Recommendation				x		
d) review and recommend to the Board tuition and other like fees	Tuition Briefing	x					
	Tuition Recommendation		x				
	Differential Tuition Fees		x				
	GSA/SU Fees					x	
	Student Residence Fees		x				
	Parking Fees		x				
	Mandatory Non-Instructional Fees (MNIF) Report (for information)		x				
	MNIF/ Course Based Fees				x		
e) approve authorized signing officers in respect of all banking and safekeeping	BFPC Chair to approve appointment of UofA representative at annual meeting of Alberta Capital Finance Authority (ACFA)	as required					

Facilities and Property

<p>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.</p>	<p>Review of capital projects</p>	<p style="text-align: center;">As required</p>					
<p>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.</p>	<p>Review of capital projects</p>	<p style="text-align: center;">As required</p>					
<p>h) approve the acquisition or disposal of real property, provided always that any such decision of the Committee shall be reported to the Board and shall only be effective or implemented a minimum of 24 hours following the conclusion of the Board meeting at which the decision of the Committee is reported, and provided the Board has not resolved otherwise</p>	<p>Campus Plan</p>	<p style="text-align: center;">As required</p>					
	<p>University of Alberta Land Inventory Update</p>						<p style="text-align: center;">x</p>

Policies		
i) approve policies for intellectual property & technology transfer		As required
j) approve policies for construction and supply contracts, policies governing the use of space and planning reports for individual capital projects and receive an annual report on these		As required
k) recommend to the Board capital expenditure policies for the committee and for the Board		As required
l) approve policies for the control and regulation of pedestrian and vehicle traffic on University lands		As required
m) review and approve policies on financial risk management for risks which may jeopardize the achievements of the strategic vision of the University		As required
n) review and recommend to the Board policies regarding the acquisition, management, control and disposition of University buildings, land and equipment and regarding individual project proposals and the implications of these short and long-range capital plans to the strategic vision of the University		As required

Reports, Advice, Trends							
o) review and provide recommendations on the University's enterprise-wide risks and risk measures related to the Committee mandate	Underlying all discussions and items before the Committee. BFPC-associated risks are: Economic Conditions and Funding, IT Infrastructure (Software & Hardware), and Physical Infrastructure.	x	x	x	x	x	x
	Institutional Risk Summary						x
p) monitor trends affecting the University and the implications of those trends on finances and property of the University	Review Results of Expert Forum	x					
	Community Engagement Report	x	x		x		x
q) annually provide advice to the President, through the chair of the Board Human Resources and Compensation Committee, with respect to the responsibilities and performance (in relation thereto) of those Vice Presidents whose responsibilities are within the mandate of the Committee	Beginning or end of year				x In- camera		
r) review annual and quarterly reports highlighting progress achieved in implementing the University's current budget and strategic business plan, including appropriate and relevant performance indicators	Comprehensive Institutional Plan (CIP)				x		
	Capitalization of Unrestricted Funds to Permanent Net Asset Endowments	As required					
	TEC Edmonton Annual Report					x	
s) planning reports for individual capital projects and receive a quarterly report on these	Project Management Office Status Reports on University facilities and property (from FAO)	x	x		x		x
t) receive for review an annual report on donations and gifts and monitor performance against fundraising goals.							x
u) annually review the terms of reference for the Committee and recommend to the Board any required changes	Beginning or end of year	x					
Committee Education Opportunities							
Facility Tours: • Tour of Garneau Tamarack & Pinecrest Residences						x	
Integrated Planning and Budgeting Process Overview				x			

Financial Statements 101		x					
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OUTLINE OF ISSUE

Agenda Title: **Appointment of Vice-Chair of the Board Finance and Property Committee**

Motion: THAT the Board Finance and Property Committee appoint Steven LePoole as Vice-Chair of the Board Finance and Property Committee, effective immediately.

Item

Action Requested	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Recommendation <input type="checkbox"/> Discussion/Advice <input type="checkbox"/> Information
Proposed by	Don Matthew, Chair, Board Audit Committee
Presenter	Don Matthew
Subject	Appointment of Vice-Chair of the Board Finance and Property Committee

Details

Responsibility	University Governance
The Purpose of the Proposal is (please be specific)	To appoint a Vice-Chair for the Finance and Property Committee. The Committee Chair has consulted with the Board Chair.
The Impact of the Proposal is	See purpose
Replaces/Revises (eg, policies, resolutions)	n/a
Timeline/Implementation Date	Upon 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 <u>quote</u> legislation and include identifying section numbers)	<p>Section 8 of the Board's General Terms of Reference for Board Standing Committees states:</p> <p><i>In order for a meeting to be validly constituted for the transaction of business, either the Chair or the Vice-Chair shall be present.</i></p> <p>Section 2 of the Board Finance and Property Committee Terms of Reference states:</p> <p>(e) 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.</p>

Routing (Include meeting dates)

Consultative Route	Douglas Goss, Chair, Board of Governors
Approval Route (Governance) (including meeting dates)	Board Finance and Property Committee (for approval) – September 30, 2013
Final Approver	Board Finance and Property Committee

OUTLINE OF ISSUE

Agenda Title: Supplemental Capital Expenditure Authorization Request (CEAR) for Innovation Centre for Engineering (ICE) Fit-Out Construction

Motion: THAT the Board Finance and Property Committee recommend that the Board of Governors approve an additional supplemental expenditure of forty-four million, six hundred and forty thousand dollars (\$44,640,000) in Canadian funds for a total revised project cost of one hundred and thirty four million, four hundred thousand (\$134,400,000), for the construction and fit-out of the Innovation Centre for Engineering (ICE).

Item

Action Requested	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Recommendation <input type="checkbox"/> Discussion/Advice <input type="checkbox"/> Information
Proposed by	Facilities and Operations
Presenter	Don Hickey, Vice-President, Facilities and Operations
Subject	Supplemental CEAR for the Innovation Centre for Engineering (ICE) Fit-Out Construction

Details

Responsibility	Facilities and Operations																
The Purpose of the Proposal is (please be specific)	Fit-out of the ICE building will provide much needed, purpose built, teaching and research space for 100 additional engineering faculty members and 900 additional engineering graduate students. As well, it will consolidate all of the engineering faculty members and a majority of the administrative functions required to achieve the faculty's long-term budget objectives.																
The Impact of the Proposal is	With the shell and core of the ICE building near completion, fit-out construction now needs to proceed to see the building complete and occupied. Completion of the ICE fit-out construction will alleviate the space pressures that the Faculty of Engineering is currently feeling amidst its rapidly growing education and research activities. Also, the current construction market is such that moving forward on this project at this time will be in advance of the escalation in costs anticipated for 2014.																
Replaces/Revises (i.e. policies, resolutions)	n/a																
Timeline/Implementation Date	Designs are complete and tendering will begin upon Board approval.																
Estimated Cost	Fit-out is estimated at \$60,000,000; bringing the total project costs to \$134,400,000.																
Sources of Funding	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Funding Source</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>CEAR 08-084</td> <td>\$ 1,900,000</td> </tr> <tr> <td>CEAR 08-084 (S1)</td> <td>\$ 6,860,000</td> </tr> <tr> <td>CEAR 08-084 (S2)</td> <td>\$ 81,000,000</td> </tr> <tr> <td>CEAR 08-084 (S3-S7) Changes to Sources of Funding</td> <td>\$ 0</td> </tr> <tr> <td>Previous Approval</td> <td>\$ 89,760,000</td> </tr> <tr> <td>CEAR 08-084 (S8)</td> <td>\$ 44,640,000</td> </tr> <tr> <td>Revised TOTAL</td> <td>\$134,400,000</td> </tr> </tbody> </table>	Funding Source	Amount	CEAR 08-084	\$ 1,900,000	CEAR 08-084 (S1)	\$ 6,860,000	CEAR 08-084 (S2)	\$ 81,000,000	CEAR 08-084 (S3-S7) Changes to Sources of Funding	\$ 0	Previous Approval	\$ 89,760,000	CEAR 08-084 (S8)	\$ 44,640,000	Revised TOTAL	\$134,400,000
Funding Source	Amount																
CEAR 08-084	\$ 1,900,000																
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CEAR 08-084 (S8)	\$ 44,640,000																
Revised TOTAL	\$134,400,000																
Notes																	

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 <u>quote</u> legislation and include identifying section numbers)	<p>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 of Alberta.</i></p> <p>UAPPOL Capital Expenditure Authorization Request Policy states: Capital Expenditure Authorization Requests (CEAR) and/or Supplemental CEAR are required on all projects equal to or more than an estimated cost of \$100,000. Approval levels: BFPC Up to \$7,000,000; Supplemental up to \$14,000,000 BG Over \$7,000,000; Supplemental over \$14,000,000</p>

Routing (Include meeting dates)

Consultative Route (parties who have seen the proposal and in what capacity)	<p>Board Finance and Property Committee (approval) phase one of the CME renewal project September 15, 2008</p> <p>Facilities Development Committee (approval) Schematic Design report June 23, 2009</p> <p>Board Finance and Property Committee (approval) construction document phase October 8, 2009</p> <p>Facilities Development Committee (approval) Design Development report February 23, 2010 (revised May 25, 2010)</p> <p>David Lynch, Dean, Faculty of Engineering Ron Ritter, Director, Investments and Treasury, Financial Services Bart Becker, Associate Vice-President (Facilities and Operations) Don Hickey, Vice-President (Facilities and Operations)</p>
Approval Route (Governance) (including meeting dates)	<p>Board Finance and Property Committee – October 1, 2013 Board of Governors – October 18, 2013</p>
Final Approver	Board of Governors

Attachments

- Attachment 1 – Briefing Note – Innovation Centre for Engineering (ICE) Fit-Out Construction (1 page)

Prepared by:

Bart Becker, PEng
Associate Vice-President, Facilities & Operations

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780-492-6422

Innovation Centre for Engineering (ICE) Fit-Out Construction

Background

On June 23, 2009 the Facilities Development Committee (FDC) approved the schematic design report of the proposed integrated design option for ICE (formally known as Chemical and Materials Engineering - Infill structure), as the basis for further design development. On February 23, 2010 FDC approved the Design Development Report for the shell and core of the ICE building, which allowed the project to proceed with engineering and construction, with construction commencing June 2011. On June 7, 2012 FDC approved the Design Development for the full fit-out of the ICE building.

The approved Functional Program for ICE included the consolidation of the Office of the Dean of Engineering and the five engineering departments on the upper six floors, the lower six floors are dedicated to graduate study, student services, and support services, and one floor located between these two areas is general common space for both formal and informal collaboration between students and faculty. As the engineering programs continue to grow, there is increasing pressure on the Faculty to accommodate faculty, staff and graduate students in purpose-built space. Growth in engineering departments such as Chemical and Materials Engineering (CME) has resulted in the CME departmental faculty, support/research staff, graduate students and laboratories being distributed across five different buildings on campus (CMEB, ECERF, NREF, NINT and RTF). All of the other engineering departments are also experiencing major space shortages. The fit-out of ICE will enable the consolidation of the faculty and support personnel from the five engineering departments into one building, resulting in administrative costs savings, which are an essential part of the Faculty's long-term budget plans. The ICE will also provide space to accommodate an expansion of the number of engineering faculty members from 200 to 300, plus an increase in engineering graduate students from 1,600 to 2,500, along with associated additional research personnel to support the large number of major initiatives underway in the Faculty of Engineering. The Faculty of Engineering has currently completely filled all of its available space for new faculty members, graduate students and support/research personnel. Proceeding with the fit-out of the ICE is required to address these extremely pressing needs.

Issues

The shell and core full project cost is currently estimated to be completed for \$74,400,000 – which is \$15,400,000 under the estimated \$89,760,000 previously approved by the Board of Governors. Using the Class A estimate for the ICE fit-out construction, and factoring in anticipated costs for the remaining design fees, project management, furniture, GST and some contingency, the anticipated fit-out cost is \$60,000,000. This estimate, less the already approved carry forward of the \$15,400,000, results in the current request CEAR 08-084 (Supplemental 8) in the amount of \$44,640,000. This would bring the total project cost for building completion and occupancy to \$134,400,000.

The Faculty of Engineering is able to provide the financial resources to cover the \$134,400,000. There is a potential need for an internal loan of \$9,600,000 to \$14,000,000 in the 2015-2016 fiscal year, which would only be needed for two years. It is important to note that the Faculty is working with Administration to seek additional financial support through the Build Canada fund. Any positive developments from this activity and/or additional philanthropy and grant applications will reduce, and potentially eliminate, the need for an internal loan.

The current construction environment provides a window of opportunity for the ICE fit-out. However, escalation in the current construction market is anticipated due to several large projects proceeding in the Edmonton area starting in 2014. It is for this reason we feel it would be prudent to proceed with the fit-out of the ICE building prior to these other projects and mitigate against future escalation.

OUTLINE OF ISSUE

Agenda Title: Internal Loan/Bridge Financing for Innovation Centre for Engineering (ICE) Fit-Out Construction

Motion: THAT the Board Finance and Property Committee recommend that the Board of Governors approve an internal loan for up to \$15,000,000 with a term up to 2 years for the construction of the Innovation Centre for Engineering (ICE).

Item

Action Requested	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Recommendation <input type="checkbox"/> Discussion/Advice <input type="checkbox"/> Information
Proposed by	Facilities and Operations & Finance and Administration
Presenter	Phyllis Clark, Vice-President, Finance and Administration
Subject	Internal Loan for the Innovation Centre for Engineering (ICE) Fit-Out Construction

Details

Responsibility	Finance and Administration
The Purpose of the Proposal is (please be specific)	Fit-up of the ICE buildings will provide much needed, purpose built, teaching and research space for 100 additional engineering faculty members and 900 additional engineering graduate students. As well, it will consolidate all of the engineering faculty members and a majority of the administrative functions required to achieve the faculty's long- term budget objectives.
The Impact of the Proposal is	With the shell and core of the ICE building near completion, fit-out construction now needs to proceed to see the building complete and occupied. Completion of the ICE fit-out construction will alleviate the space pressures that the Faculty of Engineering is currently feeling amidst its rapidly growing education and research activities. Also, the current construction market is such that moving forward on this project at this time will be in advance of the escalation in costs anticipated for 2014.
Replaces/Revises (eg, policies, resolutions)	n/a
Timeline/Implementation Date	Designs are complete and tendering will begin upon board approval.
Estimated Cost	Fit up is estimated at \$60,000,000; bring the total project costs to \$134,400,000 Total Project Cost
Sources of Funding	<p>Construction of the ICE shell and core has been substantially completed exclusively with Faculty of Engineering funding sources. An internal loan to bridge finance the timing differences between the shell and core construction costs and the faculty's cash flow had been contemplated but since this component of the project came in \$15.4 million under budget it was not required. Similar timing differences are also anticipated for the fit out portion of this project. It is proposed that these timing differences be bridged through an internal loan of up to \$15 million for a period up to 2 years.</p> <p>As at March 31, 2013 the Faculty of Engineering had \$24.0 million in funds earmarked for the completion of the ICE project, of which \$21.2 million were required to complete the shell and core component. The faculty has identified a variety of funding sources in each of the next 5 fiscal years totaling \$64.2 million that can be applied towards the ICE fit out project.</p>

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	2014	2015	2016	2017	2018
Balance to Complete Shell Structure	21,180,796				
Fit Out Costs	3,000,000	28,000,000	29,000,000	0	0
	24,180,796	28,000,000	29,000,000	0	0
Faculty Funds Available Beginning of Year	23,988,660	15,477,016	3,073,348	-13,955,226	-2,658,706
Faculty Resources Available for Project (annual)	15,669,152	15,596,332	11,971,426	11,296,520	9,646,520
	39,657,812	31,073,348	15,044,774	-2,658,706	6,987,814
Faculty Funds End of Year	15,477,016	3,073,348	-13,955,226	-2,658,706	6,987,814

Notes

As of August 31, 2013 total internal loans outstanding were \$16.8 million. The following 3 internal loans make up the majority of this balance; Soaring Estates \$8.0 million, East Campus Housing \$5.5 million and Mattheis Ranch \$2.3 million.

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 \$43.6 million.

Based on cash flow projections the maximum policy limit for internal loans is estimated to be \$40 million in 2016. At that time the outstanding balance on existing internal loans will be \$13.1 million, leaving \$26.9 million in room for initiatives such as the ICE fit out.

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>UAPPOL Internal Loan Policy states: "Individual internal loans shall be limited to a maximum amount of five (5) million dollars."</p> <p>The Internal Loan Policy is a Board of Governors approved policy. Board of Governors approval is being sought for an exception to this policy in support of this strategic initiative.</p>

Routing (Include meeting dates)

Consultative Route (parties who have seen the proposal and in what capacity)	<p>Board Finance and Property Committee (approval) phase one of the CME renewal project September 15, 2008</p> <p>Facilities Development Committee (approval) Schematic Design report June 23, 2009</p> <p>Board Finance and Property Committee (approval) construction document phase October 8, 2009</p> <p>Facilities Development Committee (approval) Design Development report February 23, 2010 <revised May 25, 2010></p> <p>David Lynch, Dean, Faculty of Engineering Bart Becker, Associate Vice-President (Facilities and Operations)</p>
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Item No. 9

	Don Hickey, Vice-President (Facilities and Operations)
Approval Route (Governance) (including meeting dates)	Board Finance and Property Committee – October 1, 2013 Board of Governors – October 18, 2013
Final Approver	Board of Governors

Revised: 9/23/2013