

The following Motions and Documents were considered by the Board Finance and Property Committee during the Open Session of its September 26, 2023 meeting.

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

APPROVED MOTION: THAT the Board Finance and Property Committee recommend to the Board Governance Committee that the Board of Governors approve proposed changes to the Finance and Property Committee's Terms of Reference, as set forth in Attachment 1, to take effect January 1, 2024.

Final Recommended Item: 2.

Agenda Title: **University of Alberta Properties Trust Inc. (UAPTl) Bylaw Amendment**

APPROVED MOTION: THAT the Board Finance and Property Committee recommend that the Board of Governors, as sole shareholder of University of Properties Trust Inc. (UAPTl), approve the amendment of By-Law No. 1 as follows:

by deleting paragraph 2.02 of By-Law No 1 and replacing it with the following language:

"2.02 Composition of the Board

Of the directors to be appointed to the Board, the shareholders shall appoint to the Board not more than four (4) of the following individuals: i) the Chair of the Board of Governors of the University of Alberta, or his/her designate at the time of the appointment, ii) the President of the University of Alberta, or his/her designate at the time of the appointment, or iii) two (2) public members of the Board of Governors of the University of Alberta. At no time shall the directors who are members of the Board of Governors of the University of Alberta or officers of the University of Alberta constitute a majority of the Board."

Final Recommended Item: 5c.



ITEM NO. 2

Decision **Discussion** **Information**

ITEM OBJECTIVE: To review and recommend changes to the Board Finance and Property Committee terms of reference, as identified during the committee’s annual review of its terms of reference in May 2023.

DATE	September 26, 2023
TO	Board Finance and Property Committee
RESPONSIBLE PORTFOLIO	University Governance

MOTION: THAT the Board Finance and Property Committee recommend to the Board Governance Committee that the Board of Governors approve proposed changes to the Finance and Property Committee’s Terms of Reference, as set forth in Attachment 1, to take effect January 1, 2024.

EXECUTIVE SUMMARY:

In 2021-2022, the Board Governance Committee (BGC) held its first triennial review of committee structure and mandates to ensure committees were relevant and effective and that the Board was compliant with governance legislation and documents. In addition to this broader review of committee mandates and structure, each Board standing committee is asked to annually review its terms of reference and recommend required changes to the Board of Governors through BGC.

Current Review

At its May 2023 meeting, the Board Finance and Property Committee (BFPC) reviewed its terms of reference, including asking the Board to rescind the committee’s delegated authority to approve tuition increases (section 2h) and to delegate mandatory non-instructional fee (MNIF) increases (section 2i).

Following that meeting, and in consultation with the Office of the Vice-President (Facilities and Operations) and the University Secretary, a number of additional changes were made, including:

- Section 2n: a change to reflect that BFPC’s oversight role with regard to residences and meal plans is a financial one. Student experience falls under the Board Learning, Research and Student Experience Committee’s mandate;
- Section 2o: since 2011, the Vice-President (F&O) has delegated authority from the Board of Governors to approve parking rate increases lower than the Consumer Price Index (CPI). This current change will result in:
 - oversight of aggregate parking rate increases (rather than by individual lot locations)
 - a delegation of authority from the Board to BFPC to approve increases higher than CPI
 - clarity into how CPI is calculated;
- editorial changes to sections 2 p through 2x



ITEM NO. 2

Based on the May 2023 review and consultations over the summer, revised terms of reference, incorporating the changes above, have been drafted and are attached for committee recommendation and board approval.

Risk Discussion / Mitigation of the Risk

The committee risks not fulfilling the board's legislated responsibilities without clear and comprehensive terms of reference that outline its board-delegated responsibilities. Performing an annual review of the terms of reference reminds members of the committee's role and the board's expectations, and offers an opportunity to clean-up outdated/unclear language or delegations.

Next Steps

- BGC will review proposed changes to all committees' terms of reference to ensure alignment, relevance, and effectiveness at its November meeting. The Board of Governors will then consider the revisions at its December meeting, for implementation on January 1, 2024.
- The next triennial review of committee structure and mandates will kick off in May 2024.

Supporting Materials:

1. Revised Board Finance and Property Committee Terms of Reference – showing edits (4 pages) – **for recommendation**
2. Revised Board Finance and Property Committee Terms of Reference – clean (4 pages) – for information

1. Mandate and Role of the Committee – The Board Finance and Property Committee assists the Board of Governors in fulfilling its governance responsibilities by providing strategic oversight, insight and foresight with respect to all significant financial and property matters of the University.

2. Areas of Responsibility

Without limiting the generality of the foregoing, the Committee:

Financial

- a) reviews and monitors quarterly financial statements with respect to operating and capital funds.
- b) reviews and approves capitalization of funds to endowments.
- c) reviews and recommends approval of the annual consolidated budget.
- d) monitors trends and key budget drivers affecting the University and identifies the strategic implications of those trends for the University's future needs.
- e) reviews and recommends sections of the Investment Management Agreement and / or a similar document that aligns with the committee's mandate and role.
- f) reviews, approves, and recommends approval of internal loans, as determined by the university's Internal Loan Policy.
- g) reviews and recommends execution of borrowing resolutions, as required by the Alberta Post-Secondary Learning Act.

Tuition and Fees

- h) ~~approves reviews and recommends~~ increases to domestic student tuition fees ~~equal to or less than the Consumer Price Index, as defined under the Alberta Post-Secondary Learning Act and its associated Regulations.~~
- i) reviews and recommends new mandatory non-instructional fees ~~and non-credit international support fees,~~ and ~~approves~~ increases to existing mandatory non-instructional fees ~~when higher than the Academic Price Index (as determined by the March 18, 2016 Board-approved formula) and non-credit international support fees equal to or less than the agreed-upon weighted annual inflation with both a ceiling of 5.0% and a floor of 0%.~~
- j) ~~Reviews and recommends non-credit international support fees, and increases to existing non-credit international support fees~~
- j)k) ~~approves~~ new non-regulated exclusion to program fees, and changes to or deletions of existing non-regulated exclusion to program fees.
- k)l) ~~reviews and recommends approval of international student tuition fees.~~
- l)m) ~~approves the collection of fees on behalf of University of Alberta Students' Union and Graduate Students' Association.~~
- m)n) ~~reviews the impacts of cost recovery operations on the university's consolidated budget budget drivers for ancillary operations, including rates and financial targets for residences and meal plans, and receives an overview of residence system health, including quality of services provided.~~
- n)o) ~~reviews and approves and recommends approval of~~ parking rates ~~increases, when the projected percentage increase in total parking revenue will exceed the Consumer Price Index (as reported by Statistics Canada as of December 31 in the preceding year).~~

Facilities, Property and Capital Expenditures

- o)p) ~~reviews, approves, and recommends approval of capital expenditures, as determined by the University's Capital Expenditure Authorization Request (CEAR) Policy.~~

- ~~p)q)~~ reviews and recommends approval of the acquisition or disposition of real property, as determined by the University's Real Property Acquisition and Disposition Procedures and as guided by the Capital Expenditure Authorization Request (CEAR) Policy approval limits.
- ~~q)r)~~ identifies and monitors trends relating to the University's physical infrastructure property and its deferred maintenance needs, and assesses the strategic impact of ~~such~~ trends related to maintenance and life-cycle renewal and changes on the University.
- ~~r)s)~~ reviews and recommends approval of the capital plan.
- ~~s)t)~~ reviews and recommends substantive changes to the university's Integrated Asset Management strategy, as such strategy may be amended, amended and restated, replaced, supplemented, or renamed from time-to-time, including substantive updates, and receives regular updates on the ~~institution's university's progress on toward achieving the objectives outlined in the such~~ strategy.
- ~~t)u)~~ reviews and recommends approval of lands to be transferred to the University of Alberta Properties Trust Inc. as well as accompanying transfer terms and conditions, to be negotiated with UAPTI reflecting the long term strategies under which transferred lands are to be managed and developed.
- ~~u)v)~~ reviews and approves the appointment and renewal of terms of office of directors of the University of Alberta Properties Trust Inc.
- ~~v)w)~~ reviews and recommends the university's long-range development plans, land development plans, and other master plans, including substantive amendments, for university lands, and monitors individual project proposals for implications to the university's long-range planning and strategic vision.
- ~~w)x)~~ approves ~~expenditures of a non-capital nature from the real property reserve fund the use of funds derived from the sale, lease, or exchange of real property for non-capital purposes~~.

Information Technology

- ~~x)y)~~ reviews reports, strategies and plans regarding physical infrastructure and resource optimization for University information technology systems.

Policy and Other Matters

- ~~y)z)~~ reviews and approves changes to existing University policies relating to the Committee's mandate, subject to the Limitations on Delegation as set out in paragraph 3.
- ~~z)aa)~~ reviews and recommends new University policies relating to the Committee's mandate, as set out in the University's Policy Development Framework.
- ~~aa)bb)~~ considers enterprise risk and opportunities associated with all items before the Committee and communicates those as needed to the Board Audit and Risk Committee.
- ~~bb)cc)~~ considers other matters at the request of the Board.

3. Limitation on Delegation by the Board of Governors

The Committee functions in accordance with the Principles for Board of Governors Delegation of Authority. 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 2, the Board approves:

- a) policy changes with significant institutional impact.
- b) new policies relating to the Committee's mandate, as set out in the University's Policy Development Framework.
- c) policies for the control and regulation of pedestrian and vehicle traffic on University lands.
- d) guiding principles for changes to approved budgets and for transfer or reallocation of monies included in approved budgets
- e) the annual consolidated budget.

- f) the Investment Management Agreement and / or a similar document.
- g) internal loans, as determined by the as determined by the university's Internal Loan Policy, and the execution of borrowing resolutions.
- h) domestic and international student tuition fees.
- ~~i) exceptional increases to domestic student tuition greater than the Consumer Price Index, as allowed under the Alberta Post-Secondary Learning Act and its associated Regulations.~~
- ~~jj) new mandatory non-instructional fees and non-credit international support fees.~~
- ~~k) increases to mandatory non-instructional fees greater than the Academic Price Index and increases to non-credit international support fees greater than 5%, as allowed under the Alberta Post-Secondary Learning Act and its associated Regulations.~~
- ~~l) parking rates~~
- ~~m)k) capital expenditures as determined by the University's Capital Expenditure Authorization Request Policy.~~
- ~~n)l) the acquisition or disposition of real property as determined by the University's Real Property Compliance Policy.~~
- ~~o)m) the capital plan.~~
- ~~p)n) the Integrated Asset Management Strategy.~~
- ~~q)o) lands to be transferred to the University of Alberta Properties Trust Inc., as well as accompanying transfer terms and conditions to be negotiated with UAPTI reflecting the long term strategies under which transferred lands are to be managed and developed.~~
- ~~r)p) the university's long-range development plan, land development plans, and other master plans for university lands, including substantive amendments.~~
- ~~s)q) recommendations, and considers information and reports, on matters that in the opinion of the Committee may pose significant risk to the University.~~

4. Composition

The Committee functions in accordance with the Principles for Board of Governors Standing Committee Composition.

Members

Ex-officio (3)

- a) The Board Chair, by virtue of office
- b) The Chancellor, by virtue of office
- c) The President and Vice-Chancellor, by virtue of office

Appointed (7)

- d) Where appropriate, no more than seven Governors or Non-Governor Committee Members, as appointed by the Board or its delegate

Internal Resources

- e) Provost and Vice-President (Academic)
- f) Vice-President (Facilities and Operations)
- g) Vice-President (University Services and Finance)
- h) Vice-President (External Relations)
- i) University Secretary
- j) Committee Secretary
- k) Other resources, as determined by the President or the Committee

Chair/Vice-Chair

BOARD FINANCE AND PROPERTY COMMITTEE**Terms of Reference**

- l) The Committee Chair and Vice-Chair shall be selected from Committee membership Section 4(d) of these Terms of Reference.
- m) The Vice-Chair undertakes and discharges all duties of the Chair in the absence of the Chair.

5. Committee Process and Procedures

The Committee:

- a) functions in accordance with the Board of Governors Bylaws.
- b) develops and follows an annual work plan addressing both strategic and routine issues.
- c) annually reviews the terms of reference of the Committee and recommends to the Board Governance Committee any required changes.

6. Reporting to the Board of Governors

The Committee reports regularly to the Board of Governors with respect to its activities and decisions.

Decision History:

<i>DATE</i>	<i>DECISION-MAKER</i>	<i>DECISION</i>
2019-05-28	Board Finance and Property Committee	Recommended
2019-06-14	Board of Governors	Approved
2020-05-26	Board Finance and Property Committee	Recommended
2020-06-19	Board of Governors	Approved
2022-03-10	Board Finance and Property Committee	Recommended
2022-04-27	Board Governance Committee	Recommended
2022-05-13	Board of Governors	Approved

1. Mandate and Role of the Committee – The Board Finance and Property Committee assists the Board of Governors in fulfilling its governance responsibilities by providing strategic oversight, insight and foresight with respect to all significant financial and property matters of the University.

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Without limiting the generality of the foregoing, the Committee:

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- e) reviews and recommends sections of the Investment Management Agreement and / or a similar document that aligns with the committee's mandate and role.
- f) reviews, approves, and recommends approval of internal loans, as determined by the university's Internal Loan Policy.
- g) reviews and recommends execution of borrowing resolutions, as required by the Alberta Post-Secondary Learning Act.

Tuition and Fees

- h) reviews and recommends increases to domestic student tuition fees.
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- j) Reviews and recommends non-credit international support fees, and increases to existing non-credit international support fees
- k) approves new non-regulated exclusion to program fees, and changes to or deletions of existing non-regulated exclusion to program fees.
- l) reviews and recommends approval of international student tuition fees.
- m) approves the collection of fees on behalf of University of Alberta Students' Union and Graduate Students' Association.
- n) reviews the impacts of cost recovery operations on the university's consolidated budget.
- o) reviews and approves parking rate increases, when the projected percentage increase in total parking revenue will exceed the Consumer Price Index (as reported by Statistics Canada as of December 31 in the preceding year).

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- q) reviews and recommends approval of the acquisition or disposition of real property, as determined by the University's Real Property Acquisition and Disposition Procedures and as guided by the Capital Expenditure Authorization Request (CEAR) Policy approval limits.
- r) identifies and monitors trends relating to the University's physical infrastructure, and assesses the strategic impact of trends related to maintenance and life-cycle renewal.
- s) reviews and recommends approval of the capital plan.

- t) reviews and recommends substantive changes to the university's Integrated Asset Management strategy, as such strategy may be amended, amended and restated, replaced, supplemented, or renamed from time-to-time, and receives regular updates on the university's progress on such strategy.
- u) reviews and recommends approval of lands to be transferred to the University of Alberta Properties Trust Inc. as well as accompanying transfer terms and conditions.
- v) reviews and approves the appointment and renewal of terms of office of directors of the University of Alberta Properties Trust Inc.
- w) reviews and recommends the university's long-range development plans, land development plans, and other master plans, including substantive amendments, for university lands, and monitors individual project proposals for implications to the university's long-range planning and strategic vision.
- x) approves the use of funds derived from the sale, lease, or exchange of real property for non-capital purposes.

Information Technology

- y) reviews reports, strategies and plans regarding physical infrastructure and resource optimization for University information technology systems.

Policy and Other Matters

- z) reviews and approves changes to existing University policies relating to the Committee's mandate, subject to the Limitations on Delegation as set out in paragraph 3.
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- e) the annual consolidated budget.
- f) the Investment Management Agreement and / or a similar document.
- g) internal loans, as determined by the as determined by the university's Internal Loan Policy, and the execution of borrowing resolutions.
- h) domestic and international student tuition fees.
- i) new mandatory non-instructional fees and non-credit international support fees.
- j) increases to mandatory non-instructional fees greater than the Academic Price Index and increases to non-credit international support fees.
- k) capital expenditures as determined by the University's Capital Expenditure Authorization Request Policy.

- l) the acquisition or disposition of real property as determined by the University's Real Property Compliance Policy.
- m) the capital plan.
- n) the Integrated Asset Management Strategy.
- o) lands to be transferred to the University of Alberta Properties Trust Inc., as well as accompanying transfer terms and conditions
- p) the university's long-range development plan, land development plans, and other master plans for university lands, including substantive amendments.
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- l) The Committee Chair and Vice-Chair shall be selected from Committee membership Section 4(d) of these Terms of Reference.
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2020-06-19	Board of Governors	Approved
2022-03-10	Board Finance and Property Committee	Recommended
2022-04-27	Board Governance Committee	Recommended
2022-05-13	Board of Governors	Approved



ITEM NO. 5c

Decision **Discussion** **Information**

ITEM OBJECTIVE: For the Board Finance and Property Committee to consider and recommend a change to the UAPTI Bylaw No. 1, resulting in a change to the composition of the UAPTI Board of Directors.

DATE	September 26, 2023
TO	Board Finance and Property Committee
RESPONSIBLE PORTFOLIO	UAPT / UA Governance

MOTION: That the Board Finance and Property Committee recommend that the Board of Governors, as sole shareholder of University of Properties Trust Inc. (UAPTI), approve the amendment of By-Law No. 1 as follows:

by deleting paragraph 2.02 of By-Law No 1 and replacing it with the following language::

"2.02 Composition of the Board

Of the directors to be appointed to the Board, the shareholders shall appoint to the Board not more than four (4) of the following individuals: i) the Chair of the Board of Governors of the University of Alberta, or his/her designate at the time of the appointment, ii) the President of the University of Alberta, or his/her designate at the time of the appointment, or iii) two (2) public members of the Board of Governors of the University of Alberta. At no time shall the directors who are members of the Board of Governors of the University of Alberta or officers of the University of Alberta constitute a majority of the Board."

EXECUTIVE SUMMARY:

Background

The University of Alberta Properties Trust (UAPT) was formed by the University of Alberta to develop or re-develop lands deemed as surplus to the university with a view of distributing net revenues back to the University of Alberta (its sole shareholder).

The University of Alberta Properties Trust Inc. (UAPTI) is the Trustee and has a total of 11 board directors. Four directors are representative of the Board of Governors, the remaining seven board directors are independent.

The current By-Law No. 1 states that one of the four board appointees from the University of Alberta must be a Vice-President. Currently, that position is filled by the Vice-President (Facilities and Operations). This motion proposes to remove the requirement that a Vice-President be one of the appointees, and replace that with a second public member of the Board of Governors. The

GOVERNANCE OUTLINE



ITEM NO. 5c

Vice-President (Facilities and Operations) (VP (F&O)) will continue to serve as a resource to the UAPTI Board of Directors.

The directors of UAPTI have, as is required by the relevant legislation, approved this proposed amendment to the By-Law.

Analysis / Discussion

The removal of the board position on UAPTI's Board of Directors for the VP (F&O) offers increased flexibility for the university in strategic decisions related to land development. However, it also addresses potential conflicts of interest that may arise from the VP (F&O)'s dual roles. The decision should be balanced, considering expertise, resource allocation, and accountability, while ensuring transparent communication and stakeholder engagement to align land development with the university's mission and goals effectively.

Risk Discussion / Mitigation of the Risk

The following risks are mitigated through the change in By-Law No. 1:

- Increased flexibility in director appointments
- Remove any clear or perceived conflicts created by the dual role.

Where applicable list the legislation that is being relied upon BFPC Terms of Reference, Section 2u

Next Steps The University of Alberta Board of Governors will make an appointment to replace the VP (F&O)

Supporting Materials:

1. Shareholder resolution – unsigned. The signed version will be shared when available. (1 page)

SCHEDULE A

Engagement and Routing

Consultation and Stakeholder Participation / Approval Route (parties who have seen the proposal and in what capacity) <[Governance Resources Section Student Participation Protocol](#)>

- Cathy Roozen, UAPTI Chair of Governance, Human Resources and Nominations
- Ralph Young, UAPTI Board Chair
- Greg Dewling, UAPT President and CEO

**RESOLUTIONS OF THE SOLE SHAREHOLDER OF
UNIVERSITY OF ALBERTA PROPERTIES TRUST INC.
(the "Corporation")**

PASSED as of the ___ day of September, 2023.

WHEREAS the sole shareholder of the Corporation wishes to confirm the amendment to section 2.02 of the bylaws of the Corporation made by the directors of the Corporation effective September ___, 2023;

AND WHEREAS pursuant to section 102(2) of the *Business Corporations Act* (Alberta), an amendment of the Corporation's bylaws requires the approval of the Corporation's shareholders by ordinary resolution.

NOW THEREFORE BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE SOLE SHAREHOLDER THAT the amendment to section 2.02 of the Bylaws made by the directors of the Corporation by resolution dated September ___, 2023 be and is hereby confirmed.

SIGNED by the undersigned, being the sole shareholder of the Corporation, pursuant to Section 141 of the *Business Corporations Act* (Alberta).

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

Signature

Name (please print)

Title (please print)