



# UNIVERSITY OF ALBERTA

## UNIVERSITY GOVERNANCE

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### Board of Governors Open Session Minutes

Friday, June 20, 2014  
2-31 South Academic Building (SAB)  
8:00 AM - 12:00 PM

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#### **ATTENDEES:**

##### Voting Members:

Douglas O. Goss	Appointed Chair, General Public
Shenaz Jeraj	Appointed Vice-Chair, General Public
Dick Wilson	Appointed Vice-Chair, General Public
Nathan Andrews	Member, Graduate Students' Association
Don Fleming	Member, Board of Governors
Jane Halford	Member, Alumni
Sangram Hansra	Member, Students' Union
William Lau	Member, Students' Union
Don Matthew	Member, General Public
Raymond Muzyka	Member, General Public
Christopher Pu	Member, Non-Academic Staff
Bernd Michael Reuscher	Member, Senate
Michael H. Ross	Member, General Public
Indira Samarasekera	Member, President
Nizar Somji	Member, General Public
Robert H. Teskey	Member, General Public
Ralph Young	Member, Chancellor

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

Lorne Babiuk	Vice-President (Research)
Phyllis Clark	Vice-President (Finance and Administration)
Marion Haggarty-France	University Secretary
Brad Hamdon	General Counsel
Don Hickey	Vice-President (Facilities and Operations)
Deborah Holloway	Secretary
Marcia Lang	Senior Strategic Advisor to the President
O'Neil Outar	Vice-President (Advancement)
Debra Pozega Osburn	Vice-President (University Relations)

##### Regrets:

Carl Amrhein	Provost and Vice-President (Academic)
Mike Belosevic	Member, General Faculties Council
James Heelan	Member, General Public
Steven LePoole	Member, General Public
Wayne Renke	Member, Academic Staff (AAS:UA)

##### Presenter(s):

Douglas O. Goss	Chair, Board of Governors
Indira Samarasekera	President and Vice-Chancellor
Don Matthew	Member, Board of Governors

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Dick Wilson	Member, Board of Governors
Don Fleming	Member, Board of Governors
Robert H. Teskey	Member, Board of Governors
Bob Kamp	Chair, Board Investment Committee
Steven LePoole	Member, Board of Governors
Ralph Young	Chancellor, Senate
William Lau	President, Students' Union
Nathan Andrews	President, Graduate Students' Association
Wayne Renke	Member, Board of Governors
Christopher Pu	Member, Board of Governors
Phyllis Clark	Vice-President (Finance and Administration)
Martin Coutts	Associate Vice-President (Finance and Supply Management Services)
Don Hickey	Vice-President (Facilities and Operations)
Brad Hamdon	General Counsel
Marion Haggarty-France	University Secretary
O'Neil Outar	Vice-President (Advancement)
Debra Pozega Osburn	Vice-President (University Relations)
Glenn Stowkowy	President-Elect, Alumni Association
Carl Amrhein	Provost and Vice-President (Academic)

Staff:

Deborah Holloway, Board Secretary and Manager of Board Services  
Geeta Sehgal, Acting Assistant Board Secretary

**OPENING SESSION**

1. Chair's Session

Materials before members are contained in the official meeting file.

*Presenter(s):* Douglas O. Goss

2. Call to Order and Confirmation of Quorum

The Board Secretary confirmed that the attendance constituted quorum. The Chair called the meeting to order at 8:00 a.m.

*Presenter(s):* Douglas O. Goss

3. Approval of the Open Session Agenda

*Presenter(s):* Douglas O. Goss

Motion: The motion was moved and seconded.

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

**CARRIED**

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

*Presenter(s):* Douglas O. Goss

*Discussion:*

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. The Chair observed no declarations and declared that the question was duly asked and answered.

#### 5. Chair's Remarks

*Presenter(s):* Douglas O. Goss

*Discussion:*

The Chair welcomed guests to the meeting. He noted that this was the last Board meeting for three members (Don Fleming, Wayne Renke and Bernd Reuscher), as well as Bob Kamp, Chair of the Board Investment Committee. The Chair thanked each member for their service on committees, and to the University of Alberta. He also noted that this was the first meeting for two new public members, Ray Muzyka and Michael Ross, and that Rob Parks and Barry James would be joining the Board as new representatives of the Alumni Council and the Senate.

The Board Chair encouraged members to participate in the Institute for Corporate Directors program.

The Board Chair also commented on the Change Agenda, noting that change was not being recommended in response to problems or failure, but because great organizations constantly embrace change in order to move forward, with a focus is on building on strengths.

#### 6. Report of the President

*Presenter(s):* Indira Samarasekera

*Discussion:*

In addition to her written report, the President shared some good news about recent awards: Claude Couture (Faculte St. Jean) received the Governor General's award for Canadian Studies; Uldis Silins (ALES)'s Southern Rockies Watershed Project won an Emerald Challenge Award for Water; the Office of Sustainability was honoured by the Emerald Foundation for its work in reducing waste in residences; TEC Edmonton was named Canada's Incubator of the Year by Startup Canada; and the University of Alberta Press received several awards, from associations including the Association of American University Presses.

The President also provided an update on Kim Campbell's work with the Peter Loughheed Leadership College, noting the increased international awareness of the College, and that the province would be providing the first \$3.5 million of its financial commitment to the College this summer.

#### 6a. Fund for Excellence

*Discussion:*

Last year, the Board developed a discretionary fund to support its excellence agenda. \$58,000 has been allocated to student stipends and graduate student teaching assistantships to develop curriculum for the first cohort. The Board Chair also thanked donors who have supported the revival of the Golden Bears football program.

#### 7. Report from the University Secretary

Materials before members are contained in the official meeting file.

*Presenter(s):* Marion Haggarty-France

*Discussion:*

The University Secretary addressed the following:

7a. Trends: Requests for Information (no documents)

*Discussion:*

Various organizations with connections to the University have been requesting personal information on Board members, in order to comply with anti-corruption and anti-bribery requirements. The University does not collect this information or disclose it to third parties.

7b. Board of Governors Calendar

*Discussion:*

The 2014-15 calendar of Board and committee meetings, and Board events, has been finalized, and will be posted on the University Governance website and on the Board Portal.

7c. Alberta Public Agencies Governance Act and Mandate and Roles (no documents)

*Discussion:*

Following Ministerial changes, the Government of Alberta has committed to clarifying the wording of the Alberta Public Agencies Governance Act to ensure that the bicameral governance structures of research intensive universities are reflected in the legislation. These changes are expected by October 2014.

8. Approval of the Consent Agenda

Materials before members are contained in the official meeting file.

8a. Approval of the Open Session Minutes of May 9, 2014

8b. Approval of the minutes of June 2, 2014

8c. *Report from the Board Finance and Property Committee*

8ci. Saskatchewan Drive Student Residence: Borrowing Resolution and Order in Council

8cii. Saskatchewan Drive Student Residence: Capital Expenditure Authorization Request (CEAR)

8ciii. Chemical and Materials Engineering Building: Capital Expenditure Authorization Request (CEAR)

8civ. Clinical Sciences Building – Lease of Office Space to the University Hospital Foundation

8cv. Dissolution of UDI Subsidiary Holding Corporation

8d. *Report of the Board Human Resources and Compensation Committee*

8di. Proposed Changes to the UAPPOL Vice-Presidential Search and Review Procedures and the Search Procedure for Vice-Presidents (Appendix A): Committees for Vice-Presidents Position Definitions and Eligibility (UAPPOL)

8e. *Report of the Board University Relations Committee*

8ei. University of Alberta Annual Report to the Government of Alberta

8f. Report of the Audit Committee

8g. Report of the Finance and Property Committee

8h. Report of the Human Resources and Compensation Committee

8j. Report of the Safety, Health and Environment Committee

- 8k. Report of the University Relations Committee
- 8l. Chancellor's Report
- 8m. Alumni Association
- 8n. Students' Union
- 8o. Graduate Students' Association
- 8p. Association of Academic Staff
- 8q. Non-Academic Staff Association
- 8r. Board Chair and Board Members Activity Report

*Discussion:*

Item 8i was removed from the Consent Agenda.

Motion: The motion was moved and seconded.

THAT the Board of Governors approve the Open Session Consent Agenda as amended.

**CARRIED**

8i. Report of the Investment Committee

*Presenter(s):* Bob Kamp

*Discussion:*

Ron Ritter and Bob Kamp presented the Board Investment Committee's Annual Report. They noted that the Board Investment Committee is responsible for an endowment of \$991 million and non-endowed funds of approximately \$891 million. The Committee requires returns of 6.2% in order to cover administrative costs and inflation; with returns of over 15%, this year's goal was met.

Mr Kamp noted that the University is trying to enhance returns through policy and asset managerial decisions such as eligible asset classes. The Committee also focuses on acceptable levels of risk and approved a new Investment Policy last year which reclassified asset classes, increased inflation sensitivity and minimizes illiquidity. Mr Kamp cautioned that world economic recovery is still fragile and many issues are still unresolved. As policymakers are in uncharted waters, prudent care is still critical. Mr Kamp thanked Phyllis Clark, Martin Coutts and Ron Ritter for their work on investments.

Committee members raised questions regarding the effect of future interest rate increases on the University's assets, whether or not bonds are held to maturity, controlling management costs, comparisons with other Canadian universities and liquidity. The Board Chair, President Samarasekera and Vice-President (Advancement) O'Neil Outar also spoke about the importance of the endowment.

**ACTION ITEMS**

9. Report of the Board Finance and Property Committee

*Presenter(s):* Dick Wilson

9a. Land Asset Strategy: Authorize and Approve the Establishment of a Land Trust

*Presenter(s):* Don Hickey

*Discussion:*

Mr Hickey noted that the University needs to be mindful of its long-term requirements, and needs to leverage its assets. The concept of monetizing land assets is not new to Canadian universities, and has been successful at Simon Fraser University, University of British Columbia, University of Guelph, University of Calgary and Keyano College. Mr Hickey outlined three potential options: maintaining the status quo; selling or leasing designated lands; or creating a subsidiary trust vehicle. The third option has been recommended by a Land Management Advisory Committee, as it will ensure charitable status and protect against various liabilities.

Mr Hickey pointed to several important issues which will need to be taken into account if a trust is formed, namely the research needs of the University, surrounding communities, the interface with the City of Edmonton, and the possibilities of leasing versus selling. The principles of smart growth and community planning will also need to be considered. Mr Hickey confirmed that if the Board approved the formation of a land trust, a trust mandate and governance structure would be needed at a later date. He described some additional steps that would be required, including obtaining Orders in Council from the provincial government, hiring staff, arranging financing and engaging with a range of stakeholders. Mr Hickey noted that if the Board did approve the land trust, and the government accepts it, the intention is for development to be consistent with the University's Long Range Development Plan.

Mr Hickey and Dr Pozega Osburn responded to questions relating to the process of establishing the trust, when decisions would be made about which lands would transfer, effects on the long-term reputation of the University, the fiduciary responsibility of trustees, impacts on students, and what revenues might be used for.

Motion: The motion was moved and seconded.

THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee, subject to the approval of the Minister under section 77 of the Post-secondary Learning Act and approval of the Lieutenant Governor in Council under section 80 of the Financial Administration Act, authorize and approve the incorporation of a subsidiary, a land development company, to act as the trustee of a Trust, to hold and develop certain university lands that may be transferred to it by the Board of Governors, subject to the terms and conditions of the Trust and the composition of the Trust Board and governance structure coming back to the Board of Governors for approval.

**CARRIED**

10. Report of the Board Investment Committee

*Presenter(s):* Bob Kamp

10a. University Funds Investment Policy

*Discussion:*

Mr Kamp noted that the changes to the Investment Policy were largely to improve consistency with the Committee's Terms of Reference and to update the current benchmarks to reflect the current investments, as well as allowing a higher allocation of global equities.

Motion: The motion was moved and seconded.

THAT the Board of Governors, on the recommendation of the Board Investment Committee, approve the revised University Funds Investment Policy effective April 1, 2014, as set forth in Attachment 1 to the agenda documentation.

**CARRIED**

11. Report of the Board Chair

*Presenter(s)*: Douglas O. Goss

11a. Committee Appointments

*Discussion:*

The Board Chair presented the new appointments. The University Secretary noted that Dave Lawson has agreed to succeed Bob Kamp as the Chair of the Board Investment Committee.

Motion: The motion was moved and seconded.

THAT the Board of Governors, on the recommendation of the Board Chair, Mr Douglas Goss, approve the appointments and reappointments to the Board and other Committees as set forth in Attachment 1 to the agenda documentation.

**CARRIED**

**INFORMATION REPORTS**

12. Report of the Board University Relations Committee

*Presenter(s)*: Don Fleming

12a. Alumni Charter (documents to be distributed prior to the meeting)

*Presenter(s)*: Glenn Stowkowy;

*Discussion:*

Mr Price explained that the Alumni Association was founded in 1915 and will be celebrating its centenary next year. The Association's relationship with the University of Alberta has been undefined during this time, and the Association has not been a legal entity with well-defined authorities or responsibilities.

Mr Stowkowy advised that a task force has worked over the past two years to review this issue with University of Alberta leadership. The Association has reached a consensus that they should reinforce their relationship with the University of Alberta. This will have implications which are outlined in the Alumni Charter. For example, in the case of existing revenue-generation agreements with external partners, the University will own any revenue; the Alumni Council will be an active participant in strategic planning; and the Alumni Association President will have a clear line of communication to the University of Alberta President.

Committee members asked questions about the reactions of alumni outside of Alberta to the Charter, the Association's current reach, the role of alumni in major University initiatives, the number of international alumni, and whether or not alumni are opting in to receiving emails from the University.

**CLOSING SESSION**

13. Other Business

No other business was discussed.

14. Adjournment

The Chair adjourned the Open Session at 10:00am.