

Board of Governors
Open Session Minutes

Monday, May 29, 2023
Zoom Virtual meeting
11:00 AM - 12:00 PM

ATTENDEES:

Voting Members:

Kate Chisholm	Appointed Chair, General Public
Bishoi Aziz	Appointed Member, President, Graduate Students' Association
Zarina Bhambhani	Appointed Member, Additional Member
Guy Bridgeman	Appointed Vice-Chair, General Public
Heather Bruce	Appointed Member, Academic Staff Representative (AASUA Appointee)
Daniel Eggert	Appointed Member, General Public
Bill Flanagan	Appointed Member, President and Vice-Chancellor
Christian Fotang	Appointed Member, President (Students' Union)
Peggy Garritty	Appointed Member, Chancellor
Mona Hale	Appointed Member, General Public
Sett Policicchio	Appointed Member, General Public
Stephen Raitz	Appointed Member, Undergraduate Board of Governors Representative
Thomas (Tom) Ross	Appointed Member, General Public
Margot Ross-Graham	Appointed Member, University of Alberta Senate Representative
Dilini Vethanayagam	Appointed Member, Academic Staff Representative (GFC Appointee)
Paul Whittaker	Appointed Member, General Public
Kate Young	Appointed Member, Alumni
Lillian Zenari	Appointed Member, Additional Member

Non-Voting Officials Appointed by the President:

Todd Gilchrist	Vice-President (University Services and Finance)
Brad Hamdon	General Counsel and University Secretary
Elan MacDonald	Vice-President (External Relations)
Andrew Sharman	Vice-President (Facilities and Operations)
Verna Yiu	Interim Provost and Vice-President (Academic)
Juli Zinken	Board Secretary and Manager of Board Services

Regrets:

Chris Ashdown	Appointed Member, Alumni
Charlene Butler	Appointed Member, General Public
Janice MacKinnon	Appointed Member, General Public
Aminah Robinson Fayek	Vice-President (Research and Innovation)
Rakesh Saraf	Appointed Member, General Public

Presenter(s):

Martin Coutts	Special Advisor, Finance, Procurement and Planning
Darrell Dancause	Associate Vice-President (Finance, Procurement and Planning)

Staff:

Erin Plume, Associate Board Secretary (University Governance)

The Chair called the meeting to order at 11:00 a.m. and welcomed members and guests.

She delivered a land acknowledgement, noting the University's strong commitment to working in Good Relations with First Nations, Metis, and Inuit peoples.

IN CAMERA SESSION OF VOTING MEMBERS ONLY

Members met *in camera* at the start of the meeting.

WELCOME

1a. Opening Remarks

Presenter(s): Kate Chisholm

The Chair welcomed Stephanie Dickie, incoming Non-Academic Staff Association representative on the Board of Governors, who was observing the meeting while she awaited her formal appointment by Ministerial Order.

1b. Approval of Open Session Agenda

Materials before members are contained in the official meeting file.

Presenter(s): Kate Chisholm

The motion was moved and seconded.

THAT the Board of Governors approve the open session agenda, as presented.
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CARRIED

1c. Conflict of Interest - Opportunity for Declaration

Presenter(s): Kate Chisholm

The Chair invited members to declare any conflicts of interest related to the open session agenda. Seeing no conflicts, the Chair declared the question asked and answered.

DECISION ITEMS

Report of the Audit and Risk Committee

Presenter(s): Mona Hale

The Chair welcomed Darrell Dancause and congratulated Martin Coutts on his retirement after 30 years of service to the university.

2. Management's Annual Audited Financial Statements and Financial Statement Discussion and Analysis

Materials before members are contained in the official meeting file under Item 3b.

Presenter(s): Todd Gilchrist; Darrell Dancause; Martin Coutts

Discussion:

M Hale introduced the item and informed the board that the Board Audit and Risk Committee (BARC) had met earlier that morning and discussed the financial statements with the External Auditor, who indicated that it was a

clean audit with no observations. M Hale then briefed the board on the implementation of a new accounting standard, Asset Retirement Obligations (ARO), and its impact on the statements, noting that BARC had requested one change to the statements: that the "Deferred Maintenance" section on page 11 of the Consolidated Financial Statement Discussion and Analysis be updated to reflect that a portion of the liability would need to be recorded in the university's financial statements as a result of the new ARO standard. She informed the board that the committee had recommended the financial statements with this amendment.

T Gilchrist provided an overview of the 2022-23 context and reviewed the 2022-23 financial results and components of the operating surplus variance to budget, including: higher than budgeted investment income, the targeted enrolment expansion grant, a one-time bequest donation, employee future benefits savings, a loss on sale of Soaring Estates, and utilities expenses. He reminded members that the Government of Alberta recently permitted the university to spend operating reserves ("carryforward funds") of up to 15% of its unrestricted balance for a total of \$39.362M, briefed members on plans to transfer \$30M into the university's investment income reserve, and noted an upcoming proposal to seek board approval for the allocation of \$24.8M from the Strategic Initiatives Fund to fund one-time strategic priorities, including capital renewal initiatives. D Dancause then reviewed the operating variance net assets and observations and the ARO observations, and reviewed proposed revised language to respond to BARC's requested amendment to the statements.

T Gilchrist responded to questions from the board regarding the use of carryforward funds compared to flex funds, and the process for approving carryforward fund allocations.

The motion was moved and seconded.

THAT the Board of Governors, on the recommendation of the Board Audit and Risk Committee, approve the Audited Consolidated Financial Statements for the year ended March 31, 2023, as set forth in Attachment 2, as revised.

CARRIED

Report of the Finance and Property Committee

3. University of Alberta's 2023-2024 Consolidated Budget Amendment to Access Operating Reserves

Materials before members are contained in the official meeting file.

Presenter(s): Verna Yiu; Todd Gilchrist; Andrew Sharman

Discussion:

T Gilchrist briefed members on the proposed amendment to the 2023-2024 consolidated budget to reflect the one-time Government of Alberta (GoA) approval to access \$39.362M in carryforward funds, noting that the budget submission was due to the GoA on or before May 31, 2023. He reviewed the proposed changes and noted that whereas the original approved consolidated budget reflected a modest surplus of \$520,000, the revised proposed consolidated budget reflected a deficit of \$38.842M.

The motion was moved and seconded.

THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee and General Faculties Council Academic Planning Committee, approve an amended 2023-24 Consolidated Budget, with changes to reflect one-time approval to access \$39.362M in operating reserves ("carryforward funds"), as set forth in Attachment 1.

CARRIED

4. Other Business

Presenter(s): Kate Chisholm

The Chair acknowledged M Hale's leadership as Chair of the Audit and Risk Committee over the past three years and thanked her for her service to the committee.

5. Adjournment

Presenter(s): Kate Chisholm

The Chair adjourned the meeting at 11:30 a.m.