



BOARD OF GOVERNORS
Approved Minutes - Open Session

May 27, 2016, 8:00 a.m. – 12:30 p.m.

Governors Boardroom A167

Members

Bonnie DuPont, Chair
Steve Allan – left during Item 8; returned during Item 10
Rob Allen
Elizabeth Cannon
Stephen Guscott*
Georgette Habib
Hamid Habibi*
Todd Hirsch
Samantha Hossack
Patricia Johnson
Brenda Kenny*
Alison Love
Mark Starratt
Joe Struck
Firoz Talakshi
Robert Thirsk
Robert Thompson

Regrets

Ed McCauley, Vice-President (Research)
Nuvyn Peters, Vice-President (Development)
Gord Ritchie
Shubir Shaikh
Steve Wilson

Guests

Miranda Dallalba, Governance Coordinator
Florentine Strzelczyk, Vice Dean, Faculty of Arts - present for Item 9
Marcello Tonnelli, Associate Vice-President (Research) - present for Item 12

**by telephone*

Management

Bart Becker, Vice-President (Facilities)
Linda Dalgetty, Vice-President (Finance and Services)
Karen Jackson, General Counsel
Diane Kenyon, Vice-President (University Relations)
Dru Marshall, Provost and Vice-President (Academic)

Observers

Scott Donaldson, Senior Director, Strategic Communications
Marina Geronazzo, Manager, Strategic Communications
Allan Lyons, Alberta Union of Provincial Employees,
Board Nominee
Jessica Polivchuk, Policy Analyst, Students' Union

Secretary

Susan Belcher

Scribe

Sheila McAlpine, Governance Coordinator

The Chair called the meeting to order at 8:05 a.m. and confirmed quorum.

1. Approval of the Agendas

Moved/Seconded

That the Agendas for the May 27, 2016 Board of Governors meeting be approved.

Carried

2. Conflict of Interest Declaration

No conflicts were declared.

3. Chair's Remarks

The Chair welcomed the observers and introduced and welcomed the new student Board members, Stephan Guscott, President of the Students' Union, and Samantha Hossack, President of the Graduate Students' Association to their first Board meeting.

4. Safety Moment

Documentation for this item was tabled at the meeting. Mark Starratt gave a presentation on barbeque safety.

5. Approval of Items on the Open Session Consent Agenda

Documentation for these items was circulated with the Agenda. The following Consent Agenda items were adopted:

5.1 **March 18, 2016 Open Session Minutes**

That the Minutes of the Open Session of the Board of Governors meeting held on March 18, 2016 be approved.

Adopted

5.2 **Approval of the Calgary Technologies Inc. (CTI) Shareholders Resolution**

That the Board of Governors approve the following in respect of Calgary Technologies Incorporated (CTI):

1. That Dr. John Reynolds act on behalf of the University to vote the shares of the University at the 2016 Annual General Meeting (AGM) of CTI; and
2. That, in the event that Dr. John Reynolds is not able to act in this capacity for whatever reason, Ms. Linda Dalgetty act on behalf of the University to vote shares of the University at the AGM of CTI.

Adopted

6. Approval of the Energizing Eyes High Strategy

Documentation for this item was circulated with the Agenda. Elizabeth Cannon presented this item.

Highlights:

- The proponent introduced the discussion document, and noted that it provides an overview of the process for developing the new institutional strategy over the next year

- The proponent reported that consultation on the process was positive and that the General Faculties Council (GFC) supports the proposed process
- The proponent reported that the Strategic Oversight Committee will begin its work in July
- In response to a question on Board involvement, Management responded that the Board will receive a progress report at the Board retreat in September, that the Board will be part of the consultation, and that there will be regular updates to the Board as the consultation and strategy development progresses

Moved/Seconded

That the Board of Governors:

1. Recommend that management proceed with a process to renew the University's institutional strategy generally within the principles, scope, consultation process, timeline, and governance structure outlined in the document provided to the Board; and
2. Approve the Terms of Reference for the *Eyes High* Strategic Oversight Committee in the form provided to the Board.

Carried

7. Approval of the Internal Net Asset Restrictions and Allocations

Documentation for this item was circulated with the Agenda. Linda Dalgetty presented this item.

Highlights:

- The proponent noted that a request to internally restrict net assets is brought to the Board each year and that this year they are asking the Board to both redirect some currently restricted assets and to internally restrict additional assets
- The proponent reported that \$75 million was spent on capital expenditures and \$53 million was spent on non-capital expenditures last year, and that these spends are carefully managed
- The proponent reported that some of the initiatives for the \$91.4 million of internally restricted net assets include post doc hiring and student success initiatives, and that some of the funds will be used for capital projects to bridge timing gaps related to donor grants
- In response to a question on whether some of the proposed \$91.4 million of internally restricted net assets will be directed to the deferred maintenance program, Management responded that there are some initiatives related to deferred maintenance included, such as classroom alterations and code upgrades, and that deferred maintenance priorities are determined by the Vice-President (Facilities)
- The Vice Chair of the Audit Committee reported that this item was reviewed by the Committee and the Audit Committee supports the proposal

Moved/Seconded

That the Board of Governors approve:

1. the redirection of \$51.4 million of internally restricted net assets to support specific faculty and unit led initiatives funded by prior year faculty and department surpluses; and
2. the internal restriction of \$91.4 million of net assets in support of research, operating, and capital renewal and building initiatives,

as presented to the Board and as recommended by the Audit Committee.

Carried

8. Approval of the Annual Financial Statements and Management Discussion and Analysis

Documentation for this item was circulated with the Agenda. Linda Dalgetty presented this item.

Highlights:

- Management reported that the Consolidated Financial Statements were prepared using the new financial statements template set by the government and that some modifications to note disclosure have been incorporated as part of the year end process
- Management reviewed key elements of the financial statements with the Board, highlighting that the provincial controller has recommended that the University treat endowments as assets. This makes the University look like it has excess cash, which is misleading because endowments are restricted. Management has added a note to the financial statements to help explain this to the reader. The provincial controller has also determined that the University will adopt a new debt model this year.
- Management reported that the University has an operating surplus this year, which demonstrates effective budgeting
- In response to questions, it was explained that:
 - As standards change over time, it is not uncommon for the auditor to require a change in the consolidated financial statements
 - There were no deficiencies found in the audit and the Auditor General will issue a clean report
 - The investment loss reported in the financial statements is related mostly to the startup costs of the West Campus development and that this is normal for land development where costs are incurred years before revenue can be generated
 - Qatar is included in the financial statements
- The Vice Chair of the Audit Committee reported on the Audit Committee meeting and remarks of the Auditor General relating to the financial statements
- The Committee had a fulsome discussion on the Annual Financial Statements and Management Discussion and Analysis

Moved/Seconded

That the Board of Governors approve the Consolidated Financial Statements and the Management Discussion and Analysis of the University of Calgary for the year ended March 31, 2016 in the form provided to the Board and as recommended by the Audit Committee.

Carried**9. Approval of the Creation of the School of Languages, Linguistics, Literatures and Cultures**

Documentation for this item was circulated with the Agenda. Dru Marshall and Florentine Strzelczyk presented this item.

Highlights:

- The proponents introduced the proposal and presented the rationale for the creation of the School of Languages, Linguistics, Literatures and Cultures (the School)
- It was expressed that the creation of the School will enable resources to be pooled, increase cross-disciplinary collaboration, produce a critical mass of colleagues interested in second language pedagogy and allow for the creation of new graduate programming
- It was reported that many post-secondary institution's language departments across the continent have been amalgamated, or are considering amalgamating, to form a single multi-program department
- The proponents reported that the process to create the School was highly consultative, including several town halls and department meetings, and that a transition committee has been formed to deal with next steps
- It was reported that fulsome discussions were held at GFC and it recommends the creation of the School
- In response to question, it was explained the School will function as a department and that the use of 'school' in this context is a normal use at the University
- The Board acknowledged the leadership of Dr. Strzelczyk in the success of this initiative

Moved/Seconded

That the Board of Governors approve the creation of the School of Languages, Linguistics, Literatures and Cultures, resulting in the dissolution of the Department of French, Italian and Spanish and the Department of Linguistics, Languages and Cultures, as set out in the document provided to the Board, and as recommended by the General Faculties Council.

Carried**10. Comprehensive Institutional Plan (CIP)**

Documentation for this item was circulated with the Agenda. Dru Marshall, Linda Dalgetty and Bart Becker presented this item.

Highlights:

- Management introduced the CIP and summarized the format and the changes to the document since the Board last saw it in March
- Management reported that Appendix A will be completed once the University receives its official budget letter from the government, and that the academic and research appendices have been taken through an extensive consultation and are recommended by GFC
- Management highlighted the following key messages in the CIP:
 - That the University is guided by the *Eyes High* Strategic Vision and the Academic and Research Plans
 - That the University is led by a strong and experienced leadership team and has demonstrated strong financial management
 - That universities are important drivers of economic diversification, particularly as it relates to the innovation sector
- Management noted that there is a projected shortfall of 5,000 student spaces by 2023, and that funding will be needed to address this shortfall
- In response to questions, it was reported that:
 - Appendix F contains a list of capital projects for which the University is seeking funding
 - With regard to the high turn away rates on enrollment, the University would like to meet the demand, but requires more funding and physical capacity
 - In regard to student experience, Management strives for affordability, quality and accessibility, and these goals are linked to the *Eyes High* vision. Management will be presenting a high level update on student experience at the next Board meeting in June.
- The Board discussed the changes the government is making to the innovation sector and the potential impact on the University
- The Board then discussed the CIP and messaging the strategic imperatives of the University
- The Board referred to Appendix D, Community Outreach and Underrepresented Learners and noted that the strategies contained in this Appendix should be helpful in appealing to the government for more funding
- The Committee commented that the document was well prepared
- Management invited members to send comments or questions on the CIP to the Provost and Vice-President (Academic) before the final version is brought back to the Board at its next meeting

11. Board Member Reports

Documentation for this item was circulated with the Agenda. The reports outlined the activities of the Board Chair, Chancellor, Alumni Association, Senate, General Faculties Council, The University of Calgary Faculty Association, Students' Union, Graduate Students' Association and the Alberta Union of Provincial Employees.

12. Clinical, Health Services and Population Health Research Strategy

Documentation for this item was circulated with the Agenda. Marcello Tonelli presented this item.

Highlights:

- The presenter reported that the Clinical, Health Services, and Population Health Research Strategy was approved by the GFC on March 17, 2016 and noted that the strategy ties to four of the University's existing health-related research strategies, and will aid in achieving the goals set out in the University's Strategic Research Plan
- He highlighted the challenges in developing the strategy, and the need to broaden clinical research to include social, cultural and environmental factors that affect health. He described the collaboration underway with health researchers to discuss how to improve health outcomes, and to make the delivery of care more equitable, and reported that one of the foci of the strategy is collaboration with different faculties.
- In response to a question about whether the University has the resources to make the strategy work, the presenter noted that the initiatives in the strategy represent important issues for our province and society and may attract donations, and also, that the infrastructure to support the strategy is already in place

The Board thanked Dr. Tonelli for an interesting presentation.

13. Other Business in the Open Session

Management reported on the 1,421 Fort McMurray evacuees currently being hosted in University residences and the significant efforts of faculty and staff in this regard.

The Board thanked Management and their teams for their concerted efforts and commended them on their quick response.

14. Motion to Adjourn the Open Session and Move into the Closed Session**Moved/Seconded**

That the Board of Governors adjourn the Open Session and move into the Closed Session.

Carried

The Open Session was adjourned at 10:01 a.m.

Susan Belcher
University Secretary