Board of Governors
Board of Governors (Special Meeting)
Open Session Minutes

Monday, June 02, 2014
2-31 South Academic Building (SAB)
11:00 AM - 12:00 PM

ATTENDEES:

Voting Members:
Shenaz Jeraj            Vice-Chair, Member, General Public
Dick Wilson            Vice-Chair, General Public
Nathan Andrews         Member, Graduate Students' Association
Mike Belosevic         Member, General Faculties Council
Don Fleming            Member, Alumni
Jane Halford           Member, Alumni
Sangram Hansra         Member, Students' Union
James Heelan           Member, General Public
William Lau            Member, Students' Union
Don Matthew            Member, General Public
Christopher Pu         Member, Non-Academic Staff
Wayne Renke            Member, Academic Staff (AASUA)
Bernd Michael Reuscher  Member, Senate
Michael Ross           Member, General Public
Indira Samarasekera    Member, President
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
O'Neil Outar            Vice-President (Advancement)
Debra Pozega Osburn     Vice-President (University Relations)
Olive Yonge             Deputy Provost

Regrets:
Douglas O. Goss         Chair, General Public
Carl Amrhein            Provost and Vice-President (Academic)
Marcia Lang             Senior Strategic Advisor to the President
William Lau             Member, President, Students' Union
Steven LePoole           Member, General Public
Ray Muzyka              Member, General Public
Nizar Somji             Member, Public
OPENING SESSION

1. Call to Order
   Presenter(s): Shenaz Jeraj

   Ms Holloway confirmed that the attendance constituted quorum. The Acting Chair called the meeting to order at 11:00 a.m.

2. Approval of the Agenda
   Materials before members are contained in the official meeting file.

   Presenter(s): Shenaz Jeraj

   The Vice-President (Research) requested that an additional item be added to the agenda, as Item 5.

   The motion was moved and seconded.

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

   Carried

3. Conflict of Interest - Opportunity for Declaration Related to the Agenda
   Presenter(s): Shenaz Jeraj

   The Acting 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 Acting Chair invited members to declare conflicts of interest related to the Open Session Agenda of the meeting.

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

ACTION ITEMS
4. **Report of the Audit Committee**

*Presenter(s):* Don Matthew

4a. **Management's Annual Financial Statements and Review and Draft Financial Analysis**

Materials before members are contained in the official meeting file.

*Presenter(s):* Phyllis Clark

**Purpose of the Proposal:** To recommend to the Board the approval of the audited Consolidated Financial Statements as required by the *Post-Secondary Learning Act*.

**Discussion:**
Mr Matthew presented the item, noting that this year's audit process was very well conducted. He acknowledged the efforts and cooperation of management and reported that the Auditor General had offered no new recommendations.

Ms Clark highlighted the excess of revenue over expense of $18.4 million, noting the unexpected additional investment received from the Provincial Government earlier in the year. She also highlighted the increase in accumulated net asset deficiency.

The presenter responded to questions and comments from members regarding the following matters: the significant risk of the increasing cost of funding benefit programs; and clarity regarding the loss related to derivatives.

The motion was moved and seconded.

That the Board of Governors, on the recommendation of the Board Audit Committee, approve the Audited Consolidated Financial Statements for the year ended March 31, 2014.

**Carried**

**INFORMATION REPORTS**

5. **Briefing Regarding "Newco"**

*Presenter(s):* Lorne Babiuk

**Discussion:**
Dr Babiuk reported that the a company, soon to be formally named but currently referred to as "Newco" had been formed to develop Massive On-Line Open Courses (MOOCs), noting that the University would have a share in the new corporation.

The presenter responded to questions and comments from members regarding the following matters: the source of funding for the company's incorporation and operations; whether a business plan is available; who will determine which University courses will be developed by Newco as MOOCs; the role of the Provost in the selection of courses for MOOC development; and whether the developers of the courses will be remunerated.

**CLOSING SESSION**

6. **Adjournment**

The Open Session was adjourned at 11:25 a.m.