**Minutes of the Meeting of the CIRA Board of Directors held at the Prince George Hotel, Halifax, Nova Scotia on February 24, 2015 at 9:00 a.m.**

**Directors attending:**Kerry Brown, Andrew Escobar, Michael Geist, Bill Gibson, Rowena Liang, Louise Macdonald (*by telephone*), Carole Mackaay, Kevin McArthur, Susan Mehinagic, Bill Sandiford, Rob Villeneuve, Faye West

**Advisors:**John Demco (*by telephone*), Byron Holland

**Regrets:**Adam Scott

**Guests:**Steven Barry, Dave Chiswell, David Fowler, Paul Havey

**Recording Secretary:**Lynn Gravel

**1. Approval of Agenda**

**It was resolved that** the agenda for the meeting be adopted as presented.

(Moved: B. Sandiford, seconded: C. Mackaay)

**2. Approval of the Draft Minutes of the November 13, 2014 and January 12, 2015 Board of Directors' Meetings**

Minor edits were noted to the minutes of the November 13, 2014 meeting.

**It was therefore resolved that**the minutes of the November 13, 2014 and January 12, 2015 Board of Directors' meetings be approved with these changes.

(Moved: B. Gibson, seconded: B. Sandiford, unanimously carried)

**3. Chair’s remarks**

The Chair did not have any remarks.

**4. Financial and Operational Updates**

4.1 Report on Statutory Obligations

This report was provided to the Board of Directors as information and tabled at the meeting.

4.2 Management Report

This report was provided as information and tabled at the meeting.

Highlights noted registrations for the period ending December 31, 2014.  Higher registrations in October and November were due to the Registrar incentive program. There was discussion around the DNSSEC Registry adoption and ongoing activities with the Channel.

4.3 Review of Q3-FY15 Financial Results

The financial statements were provided to the Board of Directors as information and tabled at the meeting.

Staff gave a brief overview of the Q3-FY15 financial results as compared to the budget noting that revenue was $474K in excess of budget at the end of the quarter. Overall, while core operations expenditures were over budget by $562K due to timing of new hires and the non-budgeted termination fees for current premises, the actual operating deficit is $227K lower than the year-to-date budgeted deficit (inclusive of the variances on the Product Development expenditures, the Community Investment Program and Investment income).

**5. 2015 Policy on Nominations and Elections**

Staff noted that the changes to the 2015 Policy on Nominations and Elections dealt only with date changes.

**It was therefore resolved that**the Board of Directors approve the Policy on Nominations and Elections 2015 as presented.

(Moved: B. Sandiford, seconded: F. West, unanimously carried)

L. Macdonald joined the meeting.

**6. Operational Plan and Budget 2015-2016**

Staff presented the high-level FY16 operating and capital budget. Highlights noted that FY16 is the third year of the current three-year Strategic Plan and represents the second year of investment in Product Development activities.  In this context, another operating deficit of $1.4M is anticipated in FY16.

A general overview was presented of the major activities the proposed budget is intended to fund, including the carry over projects from FY15 to FY16 and the new initiatives to be undertaken in FY16.  Revenue scenarios were presented from different perspectives (Pessimistic, Reference Plan and Optimistic).

New Product Development which has increased the organizational capacity, capability and velocity significantly over the past year will continue to be the focus of existing resources in FY16.  Highlights noted that resources will be dedicated to .CA enhancements, development on the D-Zone Managed DNS Service and Registry services as well as other innovative new product ideas.  The primary focus will be developing a sales function and sales for the D-Zone Managed DNS service. A three year operating forecast was also presented to illustrate the current view of the ongoing investment in the product portfolio.

The proposed budget for the Community Investment Program was also discussed.  Highlights noted that the program is on target to meet its commitments.

On the recommendation of the FAIR Committee and on motion made and duly seconded, **it was resolved that**the FY16 Budget including operating and capital expenditures be and is hereby approved as submitted.

(Moved:  R. Liang, seconded: A. Escobar, unanimously carried)

The Chair of the Board thanked management and staff for their time and effort on the budget planning.

L. Macdonald withdrew from the meeting.

**7. Update on Committees**

7.1 Report from the Market Strategy Committee

The Chair of the Committee reported that the Committee is scheduled to meet in mid-March.

7.2 Report from the Compensation and Review Committee

The report from the Compensation and Review Committee was provided to the Board as information and tabled at the meeting.

7.3 Report from the Finance, Audit, Investment and Risk Management Committee

The report from the Finance, Audit, Investment and Risk Management (FAIR) Committee was provided to the Board as information and tabled at the meeting.  Highlights of the report noted the budget review and the transition to the new Investment Manager.

7.4 Report from the Community Investment Committee

The Chair of the Community Investment Committee reported that the call for applications had been launched on February 4, 2015. Staff reported it was tracking last year’s projects, actively working with the organizations as they move through the various stages of their projects and charting outcomes.

7.5 Report from the Governance Committee

The Chair of the Governance Committee presented the revised terms of reference of the Community Investment Advisory Committee (CIAC) to include a process for dealing with mid-term vacancies.

On the recommendation of the Governance Committee and on motion made and duly seconded,**it was resolved that** the revised Terms of Reference of the CIAC be and are hereby approved as presented.

(Moved: K. Brown, seconded: K. McArthur, abstaining: B. Gibson, motion carried)

The Committee had also reviewed the Board Compensation Policy scheduled for review this year.  The Committee was recommending that the policy be amended to make it optional, rather than mandatory, to engage an independent consultant to conduct the review, and that the review currently scheduled for this year be deferred for two years.

On the recommendation of the Governance Committee and on motion made and duly seconded, **it was therefore resolved that**:

i) a change be made to the Director Compensation Policy to eliminate the mandatory requirement for a review of the compensation of elected Directors by an independent consultant; and

ii) that the change to the Director Compensation Policy reflect that the Board determine on recommendation of the Governance Committee whether or not to conduct a full review of the compensation of elected Directors at least every three years.

(Moved: B. Sandiford, seconded: K. McArthur, unanimously carried)

Further, on the recommendation of the Governance Committee and on motion made and duly seconded,**it** **was resolved that** the review of the compensation of elected Directors currently scheduled for this year be and is hereby deferred for a period of two years.

(Moved: F. West, seconded: B. Sandiford, abstaining: K. McArthur, B. Gibson, against: A. Escobar, motion carried)

The Committee had also finalized the Skills Matrix Self-Assessment form used to help identify potential skills gaps on the Board. Directors are asked to refresh and submit their self-assessment forms, indicating their level of knowledge in the different areas.

The Chair of the Board noted that the Nomination Committee had requested feedback on the performance of Directors seeking re-election. It was agreed that the Chair of the Board would continue to provide feedback on an informal basis.

A revised version of the Directors’ Code of Conduct and Policy on Conflicts of Interest and Financial Associations was presented. It was noted that the revised policy included an integration of two existing policies. Discussion ensued on the proposed changes and it was agreed to defer revision of the policy. Board members wishing to comment on the policy are asked to provide their comments to the Governance Committee by the end of March.

**8. Other Business**

Staff provided an update on the IANA transition and the ICANN accountability process.

**9. Next Meeting**

The next meeting currently scheduled for April 20, 2015 will be confirmed at a later date.

S. Barry, D. Chiswell, D. Fowler, P. Havey, B. Holland and L. Gravel withdrew from the meeting.

**10. In-camera Session**

The Board of Directors held an *in camera* session.

**11. Adjournment**

There being no further business, the meeting was concluded at 4:00 p.m.