

APPROVED

MINUTES OF MEETING NUMBER FOUR HUNDRED AND SIXTY THREE OF THE BOARD OF GOVERNORS OF ALGONQUIN COLLEGE WHICH WAS HELD ON MONDAY, APRIL 11, 2011, AT 5:00 P.M. IN THE ROSSER BOARD ROOM, C539, WOODROFFE CAMPUS

Present	Michael Dunlop, Chair	Regrets	Pauline Edmonds
	Denise Amyot		Doug Orendorff, Vice Chair
	Veronica Engelberts		Debbie Robinson
	Barbara Farber		Valerie Sayah
	Robert Gillett, President		
	Sterling Hartley (teleconference)		
	Doreen Hume	Vice	Gerry Barker, Human Resources
	William Johnson	Presidents	Kent MacDonald, Academic
	Yusuf Khan		Joy McKinnon, Business
	Louis Lamontagne(teleconference)		Development
	James McIntosh		Duane McNair, Administration
	John Owens (teleconference)		(Acting)
			Deborah Rowan-Legg, Student
			Services
		Resource	
		Personnel	Anna Cobus, Recording Secretary
Observers	Claude Brulé, Dean, Faculty of Technology and Trades		
	Jennifer Daly-Cyr, Director, Recruitment		
	Marguerite Donohue, Dean, Academic Development		
	Dave Donaldson, Dean, School of Business		
	Karen Foster, Director, College Ancillary Services		
	Steve Georgopoulos, Acting Dean, School of Hospitality and Tourism		
	Mark Hoddenbagh, Director, Applied Research and Innovation		
	Russ Mills, Dean, Faculty of Media and Design		
	Kathryn Moore, Registrar		
	Jim Orban, Director, International & Corporate Business Development		
	Brenda Rothwell, Executive Director, Algonquin College Foundation		
	Mike Rushton, Director, Physical Resources (teleconference)		
	Kim Tysick, Dean, Faculty of Health, Public Safety & Community Studies		
	Doug Wotherspoon, Executive Director, Advancement		

The Chair called the meeting to order at 5:04 p.m.

11-20 CONFLICT OF INTEREST DECLARATION

None.

11-21 APPROVAL OF PREVIOUS MINUTES

RESOLUTION

MOVED AND SECONDED – Johnson & McIntosh

That the minutes of March 14, 2011, be approved as amended.

CARRIED

11-22 BUSINESS ARISING

None.

11-23 PRESENTATION

None.

11-24 DECISION ITEMS AND REPORTS

2011/12 BUDGET

The President introduced the 2011/2012 budget and indicated that four iterations of the budget were developed pending the provincial budget announcement which was reasonably positive for colleges. Funding for additional student enrolment was provided; however, the funding rate of \$4358 per student will remain unchanged for further period of five years.

D. McNair presented a detailed summary of the budget as follows.

Highlights

- \$1M Net Cash Flow
- Enrolment Increase of 6%
- Funding for Strategic Investments
- Funding to complete the ACCE and Perth projects
- Students' Association contribution and Ontario Financing Authority for the Student Commons and Pembroke Campus projects.
- Budget priority areas: recruitment, enrolment, retention, graduation rate, mobile learning, online college, employee development, financial sustainability.

Challenges

- Salary and benefits inflationary pressures
- Other cost inflationary pressures
- Strategic Investment inflationary increase
- Board mandated \$1M projected surplus

Provincial Budget Highlights

- Provincial budget confirmed operating and growth grant assumptions
- 38% of \$64M directed to Colleges to fund additional operating grants
- \$20M for instructional equipment
- Capital infrastructure plan to be announced in Spring, 2011
- Uncertainties remain regarding funding framework going forward given that it is an election year

D. McNair also provided a summary of each of the budget schedules including the pro forma schedule, annual budget, statement of financial position, revenue schedule, expenditure schedule, funding for strategic investments, summary of funded positions, and the enrolment schedule.

The entire budget is available for review at www.algonquincollege.com/reports.

Questions/Comments:

- *Governor Johnson: What is the process for funding strategic priorities?* When the financial statements are presented for Board approval in June, there will be a request to allocate additional internally restricted funds and appropriations to fund the strategic priorities. As the 2010/2011 books have not yet been closed, the capacity to undertake those initiatives is unknown at this time.
- *Governor Johnson: In using a traditional contract for the Perth campus, it has cost the College \$1.5M, compared to the fixed budget design/build contracts for the ACCE and Pembroke buildings. Has Management made an error in using the traditional contract approach in Perth?* Initially, the College had planned a \$2M modest renovation with the intent to design and tender the project. In the process of doing so, it was discovered that the structure was not capable of renovations and required replacement in three years time. The project was then re-planned and at that time, discussions were ongoing with the government about funding a larger project so the original approach continued. It was an evolving and iterative process and the College felt that it had to continue with the process in order to meet the Knowledge Infrastructure Program requirements, otherwise, a larger contingency to handle the risks involved would have been built into the budget.
- *Governor Johnson: What is the status of the part time unionization?* The Labour Board has not yet made a ruling on whether the required numbers were met for OPSEU to be

considered as the bargaining agent for the part-time employees. The risk still exists, however, it may be as late as 2012 before there is an idea of the magnitude of risk.

- *Governor Hartley: What was the enrolment target for 2010/2011 and what was achieved?* The target was 6% and the College achieved 4.1%, due primarily to program suspension and lack of capacity in the top 60 programs.
- *Governor Hartley: Has the College investigated the possible impact on the cost of part time unionization?* The College has run a scenario which was not positive where it was initially thought that the magnitude could be in the \$50M range. However, that was when the union first started bargaining; current estimates are in the \$23M-\$50M range. The College has embarked on a strategy for 2011/2012 to try to mitigate the risk.
- *Governor Hume: What is the range of dollar impact for the low, moderate and high risk items identified on page vii of the report and what contingency is there for these items?* The low risk items are below \$1M; moderate are up to \$4-\$5M and high risk items are beyond \$5M. The College has \$1M in its mandated surplus; reserve balances, and contingency accounts in the amount of \$4.5M dedicated to leave replacement, matching pension contributions, etc., as well as apportion of approximately \$1.5M to address unforeseen risks.
- *Governor Dunlop: At a previous Board meeting, a discussion occurred regarding whether \$1M is enough of a surplus and whether the Board is comfortable with this. This is a direction of the Board and if it so chooses, it may direct management to increase the amount in order to mitigate further risk. The Board should review this at some point before the development of next year's budget begins and will seek input from management in terms of the potential impacts.*
- *Governor Johnson: The budget states that part time employees are being converted to full time however; page 7 does not appear to address this.* There is not normally a direct correlation between part-time conversion to full-time, as we are still in growth; however, we have also built in settlements from arbitration, etc. all of which are included in this report.
- *Governor Johnson: The last budget reported an increase in accounts receivable. Is there a problem?* Yes, there is a problem with accounts receivable which is primarily related to tuition; however, the increase is in line with the growth of the College – the trend however is remaining consistent.
- *Governor Hume: The net assets on page 1 includes a negative amount for vacation, sick leave and post employment benefits, which matches the amount shown in liabilities.* The College elected, under new CICA disclosure guidelines, to segregate and report on the value separately rather than include the figures in the unrestricted category in order to not impair the value of the unrestricted funds to such a significant degree. This is not a liability we would ever realize in any given year; however, this methodology is common in the College sector. The College, however, does pay a great deal of attention to vacation accumulation and is actively working to reduce the liability.
- *Governor Hume: Do we have a loss on interest rate swaps?* If we were to cash out at the current time we would see a \$10M loss as a result of current rates.

- *Governor Engelberts: What is the vacation liability beyond the current year? That information will be determined and reported to the Board.*
- *The President commented that if the College were to rely solely on government funding and tuition fees, it would result in an \$18M deficit for the College and if it didn't have its other lines of businesses such as Continuing Education, international, ancillary, and contract training, we could not operate the College, which is why it is very important to focus on those additional units.*
- *Governor Dunlop: Is there a sense of risk in borrowing from ourselves in advance of receiving monies from foundation fundraising commitments? Typically, pledges are fulfilled and we do not have any donations dependent on flow through shares at this time, so we do expect to receive the full commitment.*
- *The Chair referred to Governor Johnson's inquiry regarding the provision for strategic funds and how the board is communicated with regarding the use of those funds. He asked that if there were to be a major expenditure that it be discussed with the Board. The President responded that while there are some major retrofits that will be required in order to accommodate the 6% enrolment growth; there are also a multitude of other more minimal projects. The request for approval of strategic funding allocations will be presented to the Board in June along with a summary of those investments.*
- *Governor Johnson: Would management describe the budget as conservative or aggressive? The budget is reasonably conservative in that there are several areas of contingency so that if our plans do not meet our expectations we are in a position to absorb the shortfalls.*

RESOLUTION

MOVED AND SECONDED – Hartley and Engelberts

That the Board of Governors approve the 2011/2012 budget as presented.

BUSINESS PLAN GOALS AND OBJECTIVES

The President spoke to the 2011/2012 business plan objectives which have been categorized based on the eight priority areas noted in the budget presentation which include: recruitment, enrolment, retention, graduation rate, mobile learning, online college, employee development, financial sustainability. He observed that in addition to these objectives, there are a myriad of other initiatives which will help the College achieve its objectives.

Questions/Comments:

- *Governor Engelberts: Are the recruitment metrics aggressive? The targets are aggressive. Currently Algonquin is leading in this area as we have invested in a sophisticated CRM and have also focused on honing our search engine optimization for the past year. This will require some additional investment to meet the aggressive*

targets; however, funding requests have been included in the one-time investments. The College does exceptionally well in recruiting for its top programs, so the focus has switched and a greater effort is being placed on those programs which are more difficult to recruit students, but which do have capacity.

- *Governor Johnson: Is the graduation rate targeted to 2012?* Yes. It appears minimal; however, the College has had six years of graduation rate erosion so this is a significant goal and aggressive target.
- *Governor Johnson: Will the semester retention rate be measured after the fall semester?* Yes. It will be measured from the fall to winter semester, as well as from winter to fall.
- *Governor Hume: How closely do we work with the foundation on items such as the \$1M in gifts in kind and how much is driven by the College?* This target is achieved by working with the academic schools and as well through Business Development with the support of the Foundation.
- *Governor Dunlop: Item 6.2 refers to the reestablishment of the Learning Environment Quality Committee. Perhaps when this committee has begun to work together once again it would be worthy for a board presentation on the concepts and ideas of being an institution of the future.*

BROADER PUBLIC SECTOR PROCUREMENT AND EXPENSE DIRECTIVES IMPLEMENTATION

D. McNair provided a report on the implementation of the Broader Public Sector Procurement and Expense Directives and outlined two topics of discussion for Board consideration.

The existing Board Policy, D4: Tenders, is out of date and has been superseded by the College Policy PM01 – Property Projects. The BPS Procurement Directive requires procurement policies to be approved and administered by College management; Board policies are not required in order to be compliant. It was therefore recommended that the Board of Governors rescind Board of Governors Policy D4: Tenders and that the College operate under Policy PM01 – Property Projects.

The BPS Procurement Directive has specific requirements for the procurement of consulting services. The requirements have been incorporated in the College's Purchasing Policies and Procedures Manual. The Directive requires the Board of Governors to approve the Approval Authority Schedule for Consulting Services as outlined on the last page of the report.

Also provided for information to the Board was a copy of the College's new Purchasing Policies and Procedures Manual, as well as the College Policy related to Travel, Meals and Hospitality, both of which have been developed in order to comply with the BPS Directives.

Questions/Comments:

- *The Chair commented that as Governors travel on College business, they will be reminded of the guidelines under which they must operate.*
- *Governor Johnson: Will this policy be strictly adhered to by the College? Yes.*

RESOLUTION**MOVED AND SECONDED – Johnson and Engelberts**

That the Board of Governors rescind Policy D4: Tenders.

CARRIED

RESOLUTION**MOVED AND SECONDED – Khan and McIntosh**

That the Board of Governors approve the Approval Authority Schedule for Consulting Services that is incorporated in the College Purchasing Policies and Procedures Manual approved by the President's Executive Committee on March 30, 2011.

CARRIED

11-25 REPORT OF THE CHAIR

The Chair reported the following:

- The May 9th Board meeting will be held at the Pembroke Campus. A bus has been reserved for the Board and will leave the Woodroffe Campus at approximately 3:00 p.m., with a return at approximately 9:00 p.m.
- The elections for the Student, Support and Administrative Staff representatives on the Board will be held on April 12th and 13th. The results will be communicated to the Board and the College Community following the election.
- The annual College year end meeting and BBQ, which celebrates the successes and achievements of the past academic year, will take place on Thursday, May 12th. Governors will receive an invitation from the Board Office.
- Upcoming convocation ceremonies are scheduled for Saturday, June 11th in Pembroke and Thursday, June 9th in Perth. The Ottawa Convocation Ceremonies will be held at the new Ottawa Convention Centre on June 21st and 22nd. Governors will receive formal invitations to all of the ceremonies.

- On the table for each Governor was a copy of the remittance declaration from the financial officers of the college confirming that as of March 31, 2011, all applicable income tax source deductions and remittances have been submitted in accordance with CRA and Ministry of Revenue requirements.
- The Institute of Corporate Directors has recently launched a Diversity Scholarship program aimed at providing access to qualified individuals to participate in its Directors Education Program. Those interested can visit www.icd.ca/scholarships for more information. The scholarships are valued at \$16,000.
- A memo will be sent to all members of the Board seeking nominations for the Board Officers and a number of Committee Positions for the upcoming year. You will be asked to send your nominations to the Board Office. If necessary, a confidential vote will take place prior to a motion at the Board in June to confirm the positions for 2011/2012.
- The following correspondence has been received:
 - A copy of a letter dated March 25th from MTCU Minister John Milloy to Kal Kalyanasundaram acknowledging receipt of his correspondence regarding the Academic Assistance for Adults with Development Disabilities Program. He indicated that the Ministry does provide operating grant funding for the program and that students are eligible to receive an Ontario Special Bursary of up to \$2500 per year. The Minister encouraged Mr. Kalyanasundaram to continue to work with the Board of Governors to ensure the continued success of the program.
 - A letter dated March 7th from the College's Naming Working Group which has reviewed the requests that have been received to name the new Centre for Construction Excellence in honor of Mr. Roy Hyland. Based on their review and, in accordance with the intent of the College Infrastructure Naming Policy, the Working Group has recommended that an appropriate meritorious honor would be the naming of an award, scholarship or bursary in Mr. Hyland's name.
- A summary of feedback from the March Board meeting was provided. Governors were asked to provide feedback and suggestions for modifications to the feedback form were welcomed.

Questions/Comments:

- *Governor Engelberts: What is the status of the proposed Board nominees to the Lieutenant Governor in Council?* Unofficial confirmation has been received regarding the names of the LGIC candidates and it is believed they will be approved by the LGIC; however, no confirmation has yet been received.

11-26 REPORT OF THE PRESIDENT

The President reported the following:

- The Student Commons Groundbreaking Ceremony was held on April 5th and was very well attended.
- The design for the Pembroke Campus is nearing completion and a groundbreaking ceremony is being planned. Governors will receive an invitation once the date is confirmed.
- The ACCE Building Opening will be held on September 6th, and the Perth Building opening will be held on September 7th. Governors will receive invitations to both events. A tour of the ACCE building will be provided for Governors in advance of the June 13th Board meeting.
- A deal has been successfully negotiated by Business Development for a partnership with Saudi Arabia.
- The College is working with the City on possible solutions to the parking shortage on campus.
- Health Services continues to be of concern with growth of approximately 5000 visits per year. An interim solution is being developed while a longer term Health Care Provider solution is being investigated.
- Advocacy continues for the Pembroke Campus funding as well as an e-Health facility. The College is awaiting capital announcements which will be made in the Spring.
- The Multi Year Accountability Agreement, MYAA, was not included in the budget as the Ministry is revising the guidelines and will not be providing details until the Fall.

Questions/Comments:

- The Chair suggested that Governors from past Boards who were involved in the ACCE and Perth projects should be invited to attend the building openings.

11-27 MANAGEMENT SUMMARY REPORT

Questions/Comments:

- *None.*

11-27 OTHER BUSINESS

None.

The meeting adjourned at 6:47 p.m.

Michael Dunlop, Chair

Anna Cobus, Recording Secretary