

**APPROVED**

MINUTES OF MEETING NUMBER FOUR HUNDRED AND THIRTY-NINE OF THE BOARD OF GOVERNORS OF ALGONQUIN COLLEGE WHICH WAS HELD ON MONDAY, OCTOBER 6, 2008 AT 5:00 P.M. AT ALGONQUIN COLLEGE, WOODROFFE CAMPUS IN THE ROSSER BOARDROOM

<p><b>Present:</b></p>	<p>James Robblee, Chair          William Johnson, Vice Chair          Stephen Abraham          Abayomi Anifowoshe          Amelita Armit          Fred Blackstein          Michael Dunlop          Veronica Engelberts          Robert Gillett, President          Sterling Hartley          Carman Joynt          Lana March          Doug Orendorff          John Owens          Valerie Sayah          Michael Tremblay</p>	<p><b>Regrets:</b></p> <p><b>Vice Presidents:</b></p>	<p>J.P. Lamarche          Deborah Rowan-Legg, Vice President, Student Services</p> <p>Gerry Barker, Human Resources          Robert Letourneau, Administration          Kent MacDonald, Academic          Joy McKinnon, Business Development</p> <p>Anna Cobus, Recording Secretary</p>
<p><b>Guests:</b></p>	<p>Jo-Ann Aubut, Acting Executive Dean, Academic Development          Claudé Brule, Executive Dean, Faculty of Technology and Trades          Dave Donaldson, Executive Dean, Faculty of Business and Hospitality          Bruce Dwyer, Program Administrator, Faculty of Technology and Trades          Joe Ranieri, Director, Corporate and Business Development          Brenda Rothwell, Executive Director, Foundation          Mike Rushton, Director, Physical Resources          Doug Ouder Kirk, Executive Director, Academic Operations and Planning          Doug Wotherspoon, Executive Director, Advancement</p>		

The Chair called the meeting to order at 5:00 p.m., welcomed all in attendance and observed that the strategic framework of the 2008-2013 Strategic Plan would be on the screen at the beginning of each meeting to remind Governors of the Board’s job to drive the Strategic Plan and ultimately student success.

**08-62 CONFLICT OF INTEREST DECLARATION**

None.

**08-63 APPROVAL OF PREVIOUS MINUTES****RESOLUTION**

MOVED AND SECONDED – Engelberts and March

that the minutes of the meeting held on June 9, 2008 be approved as amended.

**CARRIED**

**08-64 BUSINESS ARISING**

The President observed that the Balanced Scorecard is still under development and the plan is to present suggestions to the Board in January 2009.

**08-65 PRESENTATION****VIDEOCONFERENCING AND MICROSOFT SHAREPOINT**

Governor Tremblay provided an update on the work underway to provide videoconferencing capabilities for members of the Board. On the table was the camera that will be used to project panoramic images of Governors for those unable to attend in-person. Governor Tremblay also previewed the Board's SharePoint site being developed and noted that a workshop is planned for Governors prior to the Board meeting on November 10<sup>th</sup>, to familiarize governors with accessing the site as well as to provide instructions on how to participate in a live meeting using the videoconference capabilities.

The President added that it is the intent of the College to explore further use of this type of technology in an effort to better collaborate with colleagues in Perth and Pembroke, and also to investigate the possibility of adapting this type of technology for master teaching in the classroom setting.

**EXTERNAL FUNDING AND INTERNAL COSTING**

Prior to his presentation, K. MacDonald, Vice President, Academic, began by noting that a package of coffee had been placed on the table for each Governor. The coffee is being sold in collaboration between Algonquin College students and local school boards in support of rural farmers in Costa Rica. The project is being integrated into local school board's curriculum with elementary teachers also visiting the College as a part of the project.

K. MacDonald began his presentation by discussing national and provincial funding levels. It was noted that despite the positive impact of the *Reaching Higher Plan* on operating grants for Colleges, funding per student in 2008-09 is \$3871 compared to over \$5000 in 1989, while the College's enrolment has doubled during the same period. As a result, managing program costs is an ongoing balancing act to maintain financial stability and ensure quality while still competing with better financed systems.

## EXTERNAL FUNDING AND INTERNAL COSTING (cont'd)

Next, D. Ouderkirk, provided an overview of the internal costing model, which is a methodology that ensures each program contributes to the financial viability of the College. The overall objective is for each program to reach a 25% contribution rate. Programs contributing less than 25% are considered to be subsidized by the College, with the total amount of subsidization being between \$2M to 3M. The formula for the contribution model is revenue (tuition/grants) minus expenses (direct/indirect teaching costs +academic overhead + space costs and depreciation). A sample of the subsidized programs in 2007-08 was provided and discussed.

It was agreed that it would be beneficial for those Governors interested in further detail to attend a workshop for further information in this regard. Those interested were asked to notify A. Cobus. *A workshop was subsequently scheduled for 3:00 p.m. on Monday, November 10th.*

### *Questions/Comments:*

- *What does teaching contact hours refer to? The actual number of teaching hours in a program Is the 25% contribution a break even? 25% is a program's revenue/bottom line. The contribution is then allocated towards the funding of College-wide operations such as Physical Resources, Human Resources, and the Learning Resource Centre. In addition to the Academic Area, Ancillary Services, Business Development and International Education also bring in funds to help support the College operations.*
- *In response to a comment made related to consideration of re-allocating program space to more financially viable programs, the President observed that in order to get out of a program, a costly space retrofit and a two year exit strategy is required. Unfortunately, there is no funding for entering and exiting programs, which creates many variables for consideration when determining an appropriate program mix, while still continuing to serve the students and the community.*

The Chair concluded by noting that the program funding/costing discussion relates to preliminary discussions held at the Board Retreat in September in regard to what it would take to become a demand driven organization, and that further presentations will be made to the Board in the New Year.

## **08-66     REPORT OF THE CHAIR**

The Chair reported on the following:

- It is the intent of the Chair to meet with each Governor for a brief discussion prior to Christmas; he will be in touch to arrange a time.
- Governors Anifowoshe, Dunlop, Orendorff and Owens will attend Convocation at the National Arts Centre on October 14<sup>th</sup>. Other Governors interested in attending were asked to advise the Board Office.
- Submissions for the College's Ontario Minister's Lifetime Achievement Award and 2009 College's Ontario Awards are due by November 3<sup>rd</sup>. Further details and nomination forms are available in the Board Office. The College's Advancement Division will coordinate Algonquin's submission.

**08-66 REPORT OF THE CHAIR (cont'd)**

- The Board's Congratulations was extended to President Gillett who was recently presented with a United Way Community Builder's Award at the College's United Way Campaign Kick-Off Breakfast on September 26<sup>th</sup>.
- Governors were encouraged to participate in Lambton College President Tony Hanlon's research survey on the perceptions and practices of Ontario college boards regarding board self- evaluation by October 10<sup>th</sup>.
- The Board evaluation tools have been received from the presenter at the September Retreat. The tools, along with the retreat minutes and presentations, will be forwarded to Governors following the meeting. As well, the governance resource books recommended have been ordered and will be available to borrow from the Board office. Those interested were asked to advise Anna Cobus.

**08-67 REPORT OF THE PRESIDENT**

The President reported on the following:

- The President recently attended a Committee of President's Retreat as well as the Ontario Economic Summit where the fiscal news was dismal. No funding guarantees were provided for 2009-10, but Minister Milloy of the Ministry of Training, Colleges and Universities, expressed that the investments of the Reaching Higher Plan will be fulfilled, while the system is in a period of restraint for the next 12-24 months;
- The Ministry has received capital plans from each College and University and will use this time of restraint to determine a capital formula which will blend with Infrastructure Ontario. Requests totalled \$4B;
- The Colleges will be expected to fund the bill for the outcome of Bill 90, which will soon receive royal assent;
- Clarification was provided that the funding submission for the Environmental Demonstration Centre for Construction and Trades Building Sciences and Health Care Facility was for \$105M, with the hope that the Province, the Federal Government, and the College would each provide one third of the funding. The College presently has \$22M in reserve for this purpose and a capital fundraising campaign will soon be underway. The Federal Government has to date not offered any contribution. In terms of the location of the building, it is hoped that the City can make a decision on its transit situation in time for the site to be confirmed across the street on Woodroffe Avenue. A part of the commitment to the Government is that the building will be open by September of 2011, so a decision by the City is needed by the third week of November in order to proceed with the CentrepoinTE location. Two alternate sites are available on campus.
- The enrolment projection has been exceeded by over 100 registrations and the College is absolutely out of space from 8:00 a.m. to 6:00 p.m. There is still a high level of demand for students wanting to attend Algonquin, and the College is being forced to turn away more students each year. The Province is projecting an increased demand of 60-80 thousand students by 2013 and there are not enough seats to meet the demand in the province at this time.

**08-67 REPORT OF THE PRESIDENT (cont'd)**

- Meetings are being organized with the new Presidents of Carleton University and the University of Ottawa, as both have indicated that they want to do more with Algonquin College and see the College as a possible finishing school for bachelor students;
- The United Way Kick Off Breakfast was a great success and the target for this year's College campaign is \$107,575,75.

*Questions/Comments:*

- *Will there will be no new funding from the Ministry?* The Ministry was almost adamant that there will be no new capital funding but there is some hope for the Reaching Higher Plan funding.
- *Given that the province has committed \$35M to the Centre for Environmental Demonstration Centre for Construction and Trades Building Sciences and the federal funding has not yet been committed, is there a risk of losing the provincial funding if the remainder of the project cannot be funded?* The provincial funds are not at risk. If the Federal Government does not provide any contribution, a Construction Trades Building will still be built and the other components, such as the Health Care Facility, will have to be eliminated from the plan. This is in keeping with the Provincial goal of addressing the Skilled Trades Shortage.

**08-68 DECISION ITEMS AND REPORTS**

**BANKING OFFICERS RESOLUTION**

RESOLUTION

MOVED AND SECONDED – Blackstein & Hartley

that for banking purposes, the following are the officers of Algonquin College of Applied Arts and Technology, effective October 6, 2008:

THE BOARD OF GOVERNORS OF ALGONQUIN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

POSITION	CURRENT INCUMBENT
Chair	James Robblee
Vice Chair	William Johnson
Secretary	Robert Gillett
Treasurer	Robert Letourneau

SENIOR OFFICIALS OF THE COLLEGE

POSITION	CURRENT INCUMBENT
President	Robert Gillett
Vice President, Academic	Kent MacDonald
Vice President, Administration	Robert Letourneau

BANKING OFFICERS RESOLUTION (cont'd)

Vice President, Business Development	Joy McKinnon
Vice President, Human Resources	Gerry Barker
Vice President, Student Services	Deborah Rowan-Legg
Director of Finance	Duane McNair
Manager, Finance and Administrative Services	Sally Clarke

FIRST QUARTER REVIEW

R. Letourneau, Vice President, Finance and Administration, presented the first quarter financial report and funded positions report. It was recognized that this is the first time the financial report addresses variances, rather than changes to the budget at each quarter.

In April 2008, the Board approved the College’s annual budget for 2008/09 with a positive net contribution before Internally Restricted Fund Expenditures of \$1,031,000.

The approved annual budget includes planned expenditures from internally restricted funds of \$13,349,000. These expenditures are intended to fund:

- Projects budgeted and started, but not completed, in the previous fiscal year;
- Initiatives to support the Strategic Plan;
- initiatives to support the objectives under the Multi-Year Accountability Agreement.

During the 2007/08 year-end financial processing and financial statement presentation, the planned expenditures from internally restricted funds were adjusted to \$13,798,309. These adjustments were made after the final 2007/08 surplus was determined. The increased amount was for an increase in the Ancillary Reserve Fund which was established to fund future maintenance and replacement of Ancillary Services’ capital assets. This budget was based on the grants announced to date, tuition fee policies in effect, 5% growth in post-secondary enrolment, reasonable provisions for inflation and capital spending to match announced capital grants and normal historical provisions.

It was recognized that due to the delay between the first quarter report preparation and the date of presentation to the Board of Governors, the report contained certain anomalies in projected revenues and expenditures. For example, the first quarter tuition revenue projection is slightly lower than budgeted but actual September enrolment is slightly higher than budgeted.

The 2008/09 first quarter projection has several minor variances from the approved budget, among all operating areas of the college, incurred as part of normal business operations. Due to enrolment pressures and space constraints, capital budget adjustments were required. The scope of capital renovations projects was increased and other expenditures were reduced to offset these unanticipated requirements.

The College’s first quarter projected net contribution before internally restricted fund expenditures is slightly higher at \$1,033,000 (\$2,000 more than the approved budget).

FIRST QUARTER REVIEW (cont'd)

At Q1, a full review of the complement in each area was undertaken to ensure that the administrative re-organization that became effective July 1st is reflected accurately. In addition, adjustments were made to reflect positions eliminated, transfers, etc. Accordingly, there are minor differences in the complement and a net increase of one position in the overall summary of funded positions.

*Questions/Comments:*

- *Governor Blackstein commented that the new report is easier to understand without all of the shifts in information. He also inquired as to the expectations for the second quarter results.* R. Letourneau replied that it is anticipated that positive information will be reported at the next Board meeting. Most of the fiscal concerns occur in the first quarter because of the renovation cycle period where there is more sensitivity for surprises.
- *What is the definition of the term internally restricted fund expenditures?* This is the use of reserved funds that have been restricted for specific purposes.
- *Governor Dunlop commented that there have been positive savings through the Energy Savings Contract (ESCO) with Direct Energy.* R. Letourneau added that there has already been \$6M in savings as a result of the ESCO. The College retains 10% of the savings until the contract is paid off over a ten year period. To date, the savings have amounted to approximately \$650K per year for the College.
- *Will the seven funded positions in the academic services area be filled?* These positions are held under the VP Academic until they are filled and then moved into the appropriate faculty. Similarly, positions are shifted amongst the area as staff are reassigned, etc. The President added that as we are receiving dismal economic news from the Government, the College will have to consider how much restraint will be required when filling funded positions as it will become more difficult to achieve a balanced budget going forward;
- *Governor Johnson inquired as to whether there are concerns with a variance of \$720K in capital projects?* R. Letourneau replied that as the planned renovations were occurring, a window of opportunity was presented to deal with space constraints and add three additional classrooms. In addition, significant unforeseen structural deficiencies were discovered in the bio technology lab renovation. The third project causing the variance was as a result of the recent reorganization.

## RESOLUTION

MOVED AND SECONDED – Orendorff and Engelberts

that for the 2008-09 First Quarter Financial Report be accepted as presented.

PROGRAM PROPOSAL: AVIATION TECHNIQUES – AIRCRAFT MAINTENANCE

K. MacDonald introduced Claude Brulé, Executive Dean of the Faculty of Technology and Trades, and Bruce Dwyer, Program Administrator of the Faculty of Technology and Trades, who presented a proposal for approval to offer an Ontario College Certificate program, entitled

PROGRAM PROPOSAL: AVIATION TECHNIQUES – AIRCRAFT MAINTENANCE (cont'd)

Aviation Techniques – Aircraft Maintenance. Graduates of the program may find employment at the apprenticeship level as an Aviation Technician and are also encouraged to continue their studies with an additional year at Centennial College in either the Aviation Technician - Avionics Maintenance or Aviation Technician - Aircraft Maintenance program. With this additional year of studies, graduates are eligible for an Ontario College Diploma, industry accreditation, and an 18-month experience credit towards their apprenticeship to be licensed by Transport Canada as an Aircraft Maintenance Engineer (AME).

The College currently offers the Aviation Management – General Arts and Science program, a two-year Ontario College Diploma program. An Aircraft Maintenance program would be a welcome addition to the Ottawa-Carleton region and would assist Algonquin College in becoming a recognized leader in aviation studies. Growth in the aviation market, combined with deregulation on a global scale, has created a significant demand for qualified pilots and mechanics. Coupled with the increasing retirement rate, a shortage of skilled workers has resulted.

The College's entry into this area of training was facilitated through a Memorandum of Understanding signed with Centennial College on April 1, 2008. Currently, no college in Eastern Ontario offers this program. Under this arrangement, Centennial will provide Algonquin with the curriculum and master lesson plans to deliver the curriculum from the first year of their two-year program. During the first year, the lab requirements are limited primarily to electronics and sheet metal work; Algonquin has sufficient capacity to deliver this program. Transport Canada and the Ottawa Flying Club have offered the use of their facilities, equipment and staff to assist, on a part-time basis as required, to establish the program.

To enable students to obtain an AME license, students will be able to enter directly into the second year of Centennial's Aircraft Maintenance diploma program. The second year of the Aircraft Maintenance diploma program is space- and equipment-intensive due to the labs needed to accommodate a wide variety of fixed wing aircraft and helicopters, as well as engines and avionics. Colleges that offer this program typically have hangar facilities on campus or at a local airport. Centennial has confirmed that there is sufficient capacity in year two of their program to accept 100% of the projected graduate numbers from Algonquin and has agreed to a five-year term to accommodate this block transfer each year. Graduates of a two-year diploma program may be eligible for accreditation from Transport Canada.

The Aviation Industry is growing at a steady and rapid rate. Due to retirees leaving the industry, it is anticipated that hiring levels will remain high for the predictable future. Passenger travel for business and tourism is currently at the highest reported levels in history and is forecasted to continue to grow at a steady rate of 4.8% per annum through 2020. Boeing and Airbus are reporting record sales and a five- to seven-year backlog of confirmed orders for new aircraft. Boeing reported sales orders for 2007 indicate a 40% increase over 2006. The number of positions being created worldwide for licensed AMEs is putting a significant strain on the mature aviation sector in North America. The combination of these factors has led to a recent boom in hiring for maintenance organizations, repair and overhaul companies, and aircraft manufacturers. Feedback from industry and the results of the demonstrated growth in the current Aviation Management program indicate a steady increase in demand in the aviation area.



PROGRAM PROPOSAL: AVIATION TECHNIQUES – AIRCRAFT MAINTENANCE (cont'd)

Student demand for aviation studies, in general, is strong. Most are attracted to Aircraft Maintenance because of a passion for aviation and a love of aircraft. This field is one that is highly respected due to the high standards for licensing and the responsibilities that go along with being an AME. Demand for Centennial's program is strong. Analysis of Centennial College's applications indicates that applicants are not being drawn to their program from eastern Ontario. Delivering the first year of the curriculum at Algonquin will fill this demand. Industry experts will be hired on a part-time basis during the start up of this program. A full-time faculty hire is planned for year two, assuming acceptable enrolment levels.

*Questions/Comments:*

- *Is the Memorandum of Understanding for other programs that are already in place or just for this one?* It is only for this specific program.
- *Given the current economic challenges, some expectations might shift. To what degree has a sensitivity analysis been completed in terms of the sustainability of the program over time?* Other Colleges have wait lists for this program and are not able to meet the demand. In addition, Transport Canada is eager to have these students and provide them with learning opportunities as all of their maintenance facilities are in Ottawa.
- *It appears as though there is a rise in enrolment expected over a five year period. Would enrolment not be expected to decrease after the initial influx of demand?* The College is typically conservative in enrolment predictions at the beginning of a program which is why the demand is expected to rise.
- *If we hire a part time faculty member at the beginning of a program, will we be creating a problem for ourselves, given Bill 90 and its possible implications?* The terms and conditions of Bill 90 have not yet been laid out as legislation and bargaining are separate considerations. This is an open ended question at this time which will only be fully understood when the bargaining begins.
- *Can the program grow by 30% without an increase in capital expenditures?* This is a part of the process for bringing in new programming. As programs are phased out, new space is made available. If the program were to grow beyond the available amount of space, it would have to be capped at the appropriate enrolment. However, the program is structured in such a way that the existing demand requires the use of approximately one quarter of a classroom per semester, as there are online and off campus learning components as well.
- *What is the incentive for this program as it is not a prerequisite to entry into the field?* This will decrease the students' requirement for on the job training. This program is accredited by Transport Canada and the Aviation Council and graduates will finish with an experience credit of 18 months.
- *What if a student treats this as a one-year stand alone program? Is there a benefit?* Members of the advisory committee have confirmed that there are job opportunities for those who don't want to go through the licensing. For example, they could enter into the manufacturing sector.
- *If this program is successful, will the College consider a move to offer the second year of the program?* No, the risk and capital costs are much too high.
- *Governor Joynt suggested seeking partnership opportunities with Vintage Wings of*

PROGRAM PROPOSAL: AVIATION TECHNIQUES – AIRCRAFT MAINTENANCE (cont'd)

*Canada. Mr. Dywer replied that conversations have already taken place and a letter of support has been received.*

RESOLUTION

MOVED AND SECONDED – Joynt and Dunlop

that the Board of Governors approve the Aviation Techniques – Aircraft Maintenance Ontario College Certificate program effective fall 2009 and seek validation of the program title and outcomes from the Credentials Validation Service and approval for funding from the Ministry of Training, Colleges and Universities.

**08-69 INFORMATION ITEMS**

The following information items were on the table:

- Colleges Ontario Newsletter – The Summer and September 2008 Editions;
- A recent Association of Canadian Community College's supplement in *MacLean's* magazine, entitled "*Why College Grads Get Jobs*"
- A recent *National Post* article about Satellite University Campuses
- A copy of the Code of Ethical Conduct for signature. Governors were requested to sign the form and return it to Anna Cobus at or before the next Board meeting.

**08-70 MANAGEMENT SUMMARY**

The complete Management Summary report is available on the Board's website at [www.algonquincollege.com/board](http://www.algonquincollege.com/board).

**08-71 OTHER BUSINESS**

None.

RESOLUTION

MOVED AND SECONDED – Blackstein and Dunlop

that meeting #439 of the Board of Governors of Algonquin College move in camera at 6:56 p.m.

**CARRIED**

**RESOLUTION**

MOVED AND SECONDED – Hartley and Engelberts

that the Board of Governors move back into the regular meeting and adjourn for the evening at 7:29 p.m.

**CARRIED**

\_\_\_\_\_  
(original signed by)  
Dr. James Robblee  
Chair

\_\_\_\_\_  
(original signed by)  
Anna Cobus  
Recording Secretary