

APPROVED

MINUTES OF MEETING NUMBER FOUR HUNDRED AND FORTY OF THE BOARD OF GOVERNORS OF ALGONQUIN COLLEGE WHICH WAS HELD ON MONDAY, NOVEMBER 10, 2008, AT 5:00 P.M. IN THE ROSSER BOARD ROOM, C539, WOODROFFE CAMPUS

Present	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 (via videoconference) Doug Orendorff John Owens Valerie Sayah Michael Tremblay (via videoconference)	Regrets	Gerry Barker, Vice President, Human Resources Lana March
		Vice Presidents	Robert Letourneau, Administration Kent MacDonald, Academic Joy McKinnon, Business Development Deborah Rowan-Legg, Student Services
			Anna Cobus, Recording Secretary
Guests	Jo-Ann Aubut, Acting Executive Dean, Academic Development Claude Brulé, Executive Dean, Faculty of Technology and Trades Jennifer Daly-Cyr, Director, Marketing Russ Mills, Executive Dean, Faculty of Media and Design Peter McKeracher, Director, Staff Relations Kathryn Moore, Registrar Doug Ouderkirk, Executive Director, Academic Operations and Planning Joe Ranieri, Director, Corporate and Business Development Brenda Rothwell, Executive Director, Foundation Mike Rushton, Director, Physical Resources Glen Tremblay, Algonquin Times Kim Tysick, Executive Dean, Faculty of Health, Public Safety and Community Studies		

The Chair called the meeting to order at 5:00 p.m. and welcomed all in attendance.

08-73 CONFLICT OF INTEREST DECLARATION

None.

08-74 APPROVAL OF PREVIOUS MINUTES**RESOLUTION**

MOVED AND SECONDED – Armit and Engelberts

that the minutes of October 6, 2008 be approved as presented.

CARRIED

08-75 BUSINESS ARISING

The President reported that Ottawa City Council will vote on November 26th in regard to a decision on transit changes that must occur in order to proceed with the CentrepoinTE location for the Centre for Construction Trades and Building Sciences. If approved, construction will begin in the spring of 2009 in order to meet the obligation of a September, 2011 opening.

The Engineering Firm working on the reinforcement of the main building structure at the Perth Campus has provided assurance that the building can be safely reinforced for a period of 36 months. The reinforcement work will proceed and will be funded with a portion of the funds previously dedicated to the Perth Campus Expansion project which was slated to begin in the spring of 2009. The College is also in discussions with the Ministry in anticipation of receiving emergency funding for the repair.

08-76 REPORT OF THE CHAIR

The Chair reported that Governor Dunlop attended a Governor Orientation Session hosted by Colleges Ontario on October 21st. Governor Dunlop commented that the session was excellent and provided valuable information about Board responsibility. He recommended the session to those Governors who have not yet attended. Four additional Governors will also attend the session at the Colleges Ontario office on Saturday, November 15th.

The Colleges Ontario Annual Conference and Premier's Awards is scheduled for February 22 and 23, 2009. As in the past, the Board will send up to five delegates. Those interested in attending were asked to advise the Board Office.

Governors were reminded to remove material of interest from their binders at the end of each meeting and leave their binders on the table for A. Cobus who will recycle unwanted material and repackage the binders for the next meeting.

A Board Retreat is scheduled for Monday, January 12th, following a shortened regular meeting of the Board. The focus of the retreat will be a follow up to the discussions held at the September, 2008, retreat related to "Demand Driven Organization" and Balanced Score Card Metrics. The Chair asked that, in advance of the Retreat, Governors reflect on the four quadrants of the strategic framework and what metrics that should be included as part of the Score Card. The retreat will be held in the College's Restaurant International and dinner will be provided.

The governance books recommended by Dr. Nouman Ashraf are available in the Board Office for loan. Those interested were asked to notify A. Cobus.

08-77 REPORT OF THE PRESIDENT

The President reported on the following three areas.

Colleges Ontario and Committee of Presidents Meeting:

- The 2009-2010 budget is a topic of considerable discussion. It is the last year of the *Reaching Higher Plan* in which \$198M is to be distributed between colleges and universities. The Government has not confirmed that the funding will be honored given the current fiscal climate. In addition, it has been discovered that some of the monies were taken to fund graduate medical studies. Because universities have experienced higher growth rates, the College system share may be reduced from \$65M to \$40M should this funding be available. The case of need in the College system is being argued, particularly given the low funding in 2008-09. Under normal circumstances, the College system would require \$120M to continue to move forward status quo operations.
- Former Deputy Ministry Philip Steenkamp had planned for a new funding formula for 2009-10 which is now uncertain due to his recent departure. Colleges are currently working with the Ministry to simulate situations as to how a new formula could operate; however, the current economic situation is making the discussion challenging.
- All colleges and universities recently submitted capital requests which totaled \$4B, excluding unfunded maintenance needs. The request in no way approximates the total need.
- Ontario remains the poorest funded post secondary system in Canada.
- A lot of time was spent discussing Bill 90 and its potential ramifications. Each College is completing its own calculations and the Ministry estimates it could cost in excess of \$200M. It is expected that unionization and bargaining will occur sometime in 2009.

Government Priorities:

- Second Career Program– There is a target of 20,000 participants over the funding period. The initiative provides recently unemployed people with one or two year programs and up to \$28K in funding support. Colleges are working with the Government to find ways to help achieve those targets and also to have some flexibility in the program delivery.
- Transfers from colleges to universities must be improved; pressure is being applied by the Government to make this happen rapidly.
- The economic situation continues to be very serious and in fact has deteriorated further since the October 22nd economic statement. The Board will be briefed in December on the College's restraint plans during these uncertain times.
- One item that may provide stimulus in the economic downturn is capital financing; there may be some government flexibility in this area.

- There will be a major marketing campaign for non-direct entrants to college to ensure the system continues to serve this large population.
- Market conditions continue to negatively impact the Pension Plan's returns on investments and until the situation changes, contribution levels will continue to increase.
- Five areas of priority for the Ontario Government:
 - Continue to invest in skills and knowledge;
 - Infrastructure, and employment as a result;
 - Lowering business costs;
 - Strengthening the environment for innovation; and,
 - Forming key partnerships to get Ontario out of the current situation as a have not province.

College actions during these economic times:

- The College is focusing on five key areas:
 - Spending restraints are being enacted in an attempt to cushion difficulties that may come at year end;
 - Space solutions, i.e. moving delivery into the evenings, weekends, summer and virtual programming to allow greater access to the College;
 - Increased activity in Business Development;
 - Services changes to ensure students are successful. The College is at the top of the system yet one third of students don't make it to graduation;
 - Get the maximum out of each collective agreement;
 - Student engagement – working with the Students' Association to get students more engaged and thus more likely to remain at the College.
- The Board will receive a briefing at its December meeting on the restraints put in place in terms of what will be stopped, started or continued and the ripple effects of each as well as some strategies being considered for 2009/10.

Questions/Comments

- *Governor Johnson inquired as to the current amount of exposure related to the pension plan due to the defined benefit and the fact that it is an unfunded liability.* The President replied that employee contributions have increased in each of the last three years and it is being closely monitored. Should the rates fall, another increase in contribution would be enacted. The plan is still solvent but it is difficult to predict market and interest rates on many of the elements. The Board will be fully briefed should liability become a concern.
- *Governor Hartley commented that the services of the College may increase in a time of layoffs.* The President affirmed this statement and noted that this has been raised with the Government and the Premier, who is a strong advocate of education. However, given the current funding unit, the more growth that occurs, the more money is lost because the College is not

compensated for the cost of servicing those additional students, which is an example of why Ontario Colleges can't be the poorest funded system in the country and remain competitive.

- *Governor Lamarche inquired as to how the College plans to maximize the collective agreements.* The President replied that an initial analysis will be undertaken of how Algonquin College stands against other large Colleges. It is believed that the College is currently running at the average in the system. Human Resources will undertake this analysis and identify any possible areas for improvement.

08-78 DECISION ITEMS AND REPORTS

Second Quarter Review

D. McNair, Director of Finance, presented the second quarter financial and funded positions report.

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 \$13,798,309. These expenditures are intended to fund: projects budgeted and started, but not completed, in the previous fiscal year, initiatives to support the strategic plan, and initiatives to support the objectives under the Multi-Year Accountability Agreement.

In October 2008, the 1st Quarter Financial Report was presented with a positive net contribution before Internally Restricted Fund Expenditures of \$1,033,000. There were several minor variances from the Approved Budget and capital budget adjustments.

The 2008/09 second quarter projection has several minor variances from the Approved Budget, among all operating Areas of the College, incurred as part of normal business operations.

Tuition fees increased as a result of higher enrolments. Several new training and education contracts were signed which increased the projected contract revenues. Sales volumes in the College's Ancillary Services are higher than budgeted. Increases in revenue activity have resulted in higher College costs for salary, benefits and other costs.

The College has had to defer plans to expand the Perth campus and commit resources to repair and maintain the existing structure. This has resulted in an adjustment with a positive variance of \$1.5 million. A request will be made at year-end to reserve this amount for rural campus development. A \$1 million provision has been established for planning the construction of the Centre for Construction Trades and Building Sciences. This provision will be funded from \$1 million of the \$35 million grant due from the Ministry of Training, Colleges and Universities.

The College's Q2 projected net contribution before Internally Restricted Fund Expenditures is \$2,234,000 (\$1,203,000 more than the Approved Budget). At Q2, the projects and initiatives funded from the College's Internally Restricted Funds were reviewed. The 2nd Quarter Financial Report reflects

the amount anticipated to be spent from these accounts by March 31, 2009, under the column Q2 Year-end Projection. This updated projection has resulted in a \$4.4 million positive variance.

During Q2, there were minor adjustments to the full-time complement resulting in a total complement that is the same as that which was reported in the 1st Quarter Report.

Questions/Comments:

- *Page 7 - What does the \$35M in "other operating costs" refer to?* This refers to instructional supplies, contract cleaning costs, marketing, promotion, public relations, telephone, etc.
- *Is the Q2 year end projection based on actual expenditures to the end of the quarter and then factored ahead to year end?* Yes, a model is in place based on timing of the grants, etc.
- *Is there a detailed list of internally restricted fund expenditures?* The categories of funds are disclosed in the previous year's financial statements in note 14. If requested, Administration can provide a specific list of appropriations.
- *In a time of financial restraint, is there concern that the contract education services showing a positive variance may be at risk?* There is concern that some envelopes of funding may diminish and as a result, Business Development is reviewing other sources of funding such as private companies, defense, security, health, and construction sectors. There is not a great risk expected for 2008-09.
- *Does management see any concern in meeting the targets for the current fiscal year?* There is little concern for 2008-09; however, management will implement further fiscal restraints in an attempt to minimize any negative impacts on the 2009-10 budget.
- *What is the current status on the development of the 2009-10 budget?* The beginning stages have begun in terms of setting priorities and analyzing the impact from the economic situation. As government information is provided, it will feed into the deliberations.

Business Plan Update

The President reported that the Business Plan update is in a revised format which was designed to be more streamlined. There was consensus among the Governors that the report was more useful and easier to follow.

Questions/Comments:

- *Page 9 – re: Comprehensive Retention Plan* – The President elaborated on this goal and noted that currently, 36% of students don't make it to graduation. The five year goal is to move to a 70% success rate. Last year's improvement was .4% (the goal was 1%), with 51 initiatives in place to achieve that goal. A review is currently being undertaken on the success of those initiatives as well as a detailed analysis of several other pieces of data. The Board will be provided with a report in December which will detail those results as well as the plans for the future.

- *Is there a hiring freeze on within the College at this time, given the goal of hiring 10 additional full time faculty?* There is a temporary slowing of hiring. Those positions which have been negotiated by arbitration are being filled. The slowdown is in an attempt to prevent future layoffs. The President's Executive Committee continues to meet weekly to look at areas for compression. Plans for fiscal restraint will be presented to the Board in December.
- *Are there any indicators in the results of the telephone survey to students who withdrew before October 15th?* D. Rowan-Legg commented that the Tele-Servicing team contacted more than 500 students who withdrew between mid-summer and October 15th. A full summary is available upon request. The leading reason for withdrawal was that students were leaving to attend another institution or that the program was not related to their career goals. Students who leaving to attend other institutions were typically leaving because they were admitted to their program of first choice. Discussions are ongoing with the Marketing Department to ensure clear information is being provided to prospective students related to their career goals. Those students who indicated they were leaving the College due to personal and/or health reasons will be followed up with if they indicated they were planning on returning at a future date.
- *Positive improvements have been implemented in Human Resources, one being the hiring of the Labour Relations director as well as the development of a five year plan. Would it be prudent to have the plan presented to the Board?* The President indicated that at some point it would be appropriate; however, the review completed by the external consultant was extensive and the College does not have the fiscal capacity to address all of the recommendations. A review of the recommendations is being undertaken and once decisions are made on what actions must be taken, these will form a part of the 2009-10 budget.

RESOLUTION

MOVED AND SECONDED – Johnson and Hartley

That the Business Plan update be accepted as presented.

Carried

Report of the Governance Committee

RESOLUTION

MOVED AND SECONDED – Armit and Blackstein

that the following be the composition of Board Committees and the Board's representative on the Foundation for 2008-09:

Executive Committee

Chair	James Robblee
Vice Chair	Bill Johnson
Chair, Audit Committee	Carman Joynt
Past Chair or External Governor	Amelita Armit
President	Robert Gillett (ex officio)

Audit Committee

External Members	Carman Joynt, Chair James Robblee Bill Johnson Doug Orendorff
President	Robert Gillett (ex officio)

Governance Committee

External Members	Amelita Armit, Chair Lana March Sterling Hartley Fred Blackstein
Internal Member	Valerie Sayah
President	Robert Gillett (ex officio)
Board Chair	James Robblee (ex officio)

Board Representative on the College Foundation

Michael Dunlop

Carried

Amelita Armit, Chair of the Governance Committee, reported that the Committee met on Friday, November 7th. A recommendation was accepted to amend By-Law #1 to reflect that the Governance Committee will, in the future, act as the Nominating Committee, which will come forward to the Board for approval at the Annual General Meeting in June 2009.

The second item of discussion related to self assessment and evaluation. It was felt by the Committee that the Board Chair's current practice of meeting with Governors is a form of assessment/evaluation and should be reviewed by the Committee once the process has been completed. It was also agreed that this be done bi-annually and that Governors be provided with the interview areas of focus in advance so they can be prepared for the discussion. Chair Robblee added that the evaluation tools were distributed that were provided by the retreat facilitator in September and that two research initiatives are underway at this time to review board evaluation across the system. He agreed with the current approach and will report back to the Governance Committee once his interviews are completed.

The third area reviewed by the Committee related to Board education and orientation. Governors were asked to identify areas of education that they feel would be beneficial. In addition, new Governors will

be invited to attend a portion of the Governance Committee meeting scheduled on January 12, 2009, to provide feedback on the orientation process.

Lastly, Governors were reminded of the Committee's position that the Board has an advocacy role to play on behalf of the College. Those Governors interested in a particular area were asked to notify either the Board Chair or President. The President added that the College is respectful of Governors' availability of time and level of comfort in assisting with advocacy.

08-79 MANAGEMENT SUMMARY REPORT

The complete Management Summary Report is available at www.algonquincollege.com/board.

Questions/Comments:

- *Governor Orendorff requested an explanation for the College's overall decrease in confirmations while OCAS has experienced an increase.* D. Rowan-Legg reported that since the Management Summary Report was prepared, confirmations are now at 600, an increase of 150 over the previous year. A number of offers are still outstanding and there is a process in place whereby those individuals with outstanding offers are contacted by telephone. The College is now tracking close to the provincial average. The President added that system averages are driven by the GTA which can distort perceptions as they represent 65 percent of the business of all colleges.
- *Governor Lamarche questioned if there is a concern about meeting the multi-year accountability agreement target for an increase in Aboriginal Students, given the current review of Mamedosewin Centre space?* There is no concern. The target is being achieved and in fact, the College has the largest population of Aboriginal students in the system. The review of space is specifically related to the Mamedosewin Centre, rather than the growth of this student population. The Aboriginal Education Council was pleased at its last meeting to receive news that the College has allocated funds for a full analysis of space requirements and how to better serve this population of students on campus.
- *Governor Engelberts inquired as to whether the College has a strategy of marketing in other catchment areas as there are St. Lawrence College ads around the city?* Yes, although the College does try to be fair as Algonquin attracts far more students from other areas than they attract from ours.
- *Governor Johnson commented, and the Board was in agreement, on the impressive amount of work done related to recruitment activities to attain the student enrolment targets.*
- *The Chair commented that the format of the Management Summary is improved, and also highlighted the excellent 95% success rate for the Nursing Students on their CNO exams.*
- *Governor Sayah inquired as to the College's plans for ESL programming given that space is unavailable yet it is an area of growth where the momentum should continue.* The President replied that for all programs, the options of moving to evenings, weekend and summer hours, as well as virtual delivery, are being examined.

08-80 Information Items

The following items were on the table for Governors information:

- November 6th Edition of the *Algonquin Times*;
- Newspaper clippings from The *Ottawa Business Journal* and *Pembroke Daily Observer*;
- Presentation from the Board of Governors workshop held related to Live Meeting & SharePoint;
- Motion related to the composition of Board Committees/Foundation Representative for 2008-09.

08-90 PRESENTATION**Capital Plan and Addressing College Space Challenges**

M. Rushton and P. Rouble presented a report titled *Addressing College Investment Needs and Space Challenges*. The presentation outlined the College's investment needs, space challenges and considerations for addressing those needs.

Questions/Comments:

- *When is a response expected from the province on the capital plan submission? Submissions are currently being reviewed and a consultant has been engaged to visit each College to understand its actual space challenges. No comment from the Ministry is expected until mid-March, 2009. A decision is still to be taken on whether colleges and universities will become a part of Infrastructure Ontario and if, in this time of restraint, infrastructure will be used as a stimulus. However, the situation related to the Perth Campus needs may be dealt with sooner as it is a more time sensitive decision.*
- *How many additional students could be accommodated if the entire plan was in place? Approximately 4000 students which would bring enrolment to 20,000. In addition, a move into evening, weekend, summer and virtual delivery would also increase capacity.*
- *What does the College system really need? It seems that a request of \$69M out of a total need of \$376M will not get the College to where it needs to be. The system is the poorest funded in operational grants with the lowest tuition in Canada. Colleges can't make competitive inroads in this situation.*
- *We are not getting the per capital funding that is needed so everything will continue to decline until a new funding model establishes balance and equity, and not just band-aid solutions.*
- *Of the \$270M invested in the last ten years, how much was provincially funded and how much addressed the capital needs? This will be included when the five year capital plan is updated throughout the winter. Typically 30% is provincially financed.*
- *If the funding is not available, is there a point at which we need to ask ourselves how many students we can support and provide a quality education for? Maybe the solution is fewer*

students than we currently have (quality education versus growth). The President noted that as soon as you stop growing, certain envelopes of funding become unavailable such as multi-year accountability agreement funding, etc. so that has to be put into the context. Another concern is if Colleges are made to fund the part time unionization, it will create a huge economic problem. The Chair commented that these are the discussions that will occur at the January, 2009, retreat.

The Chair thanked and expressed his gratitude to Mike Rushton and all staff for the work being done given the challenges that are being faced. The Board then moved In Camera at 7:09 p.m. to discuss the rural campuses, and back into the regular meeting at 8:13 p.m.

08-91 OTHER BUSINESS

Following discussion held at the In Camera portion of the meeting, the following decisions were taken in regard to the Perth and Pembroke Campuses of Algonquin College.

RESOLUTION

MOVED AND SECONDED – Blackstein and Armit

That the Board of Governors approve the construction of a new campus for the Ottawa Valley on the waterfront land donated by the City of Pembroke, at a cost of approximately \$36M which includes the \$4M committed by the Students' Association, to be completed by Fall 2012.

AND

MOVED AND SECONDED – Blackstein and Robblee (on behalf of Governor March)

That the Board of Governors approve the construction of a new main building at the Perth Campus, at a cost between \$8M-\$10M, to be completed by the Fall of 2011.

AND

MOVED AND SECONDED – Blackstein and Hartley

In approving these two motions, the Board directs administration to work with the Provincial Government, and all other funding sources, to minimize the amount of borrowing which would be required to complete the two projects.

ALL IN FAVOUR

(original signed by)

Dr. James Robblee, Chair

(original signed by)

Anna Cobus, Recording Secretary