

**APPROVED**

MINUTES OF MEETING NUMBER FOUR HUNDRED AND FORTY FIVE OF THE BOARD OF GOVERNORS OF ALGONQUIN COLLEGE WHICH WAS HELD ON MONDAY, APRIL 13, 2009, AT 5:00 P.M. IN THE ROSSER BOARD ROOM, C539, WOODROFFE CAMPUS

Present	James Robblee, Chair Stephen Abraham Abayomi Anifowoshe Fred Blackstein Michael Dunlop Veronica Engelberts Robert Gillett, President Sterling Hartley J.P. Lamarche Doug Orendorff John Owens Valerie Sayah Michael Tremblay	Regrets	Amelita Armit William Johnson Carman Joynt Lana March  Gerry Barker, Vice President, Human Resources
		Vice Presidents	Robert Letourneau, Administration Kent MacDonald, Academic Joy McKinnon, Business Development Deborah Rowan-Legg, Student Services

Anna Cobus, Recording Secretary

Guests     Claude Brulé, Executive Dean, Faculty of Technology and Trades  
Karen Davies, Dean, Algonquin College in the Ottawa Valley  
Marguerite Donohue, Executive Dean, Academic Development  
Wayne McIntyre, Director, Student Support Services  
Peter McKeracher, Director, Staff Relations  
Russ Mills, Executive Dean, Faculty of Media and Design  
Kathryn Moore, Registrar  
Doug Ouderkirk, Executive Director, Academic Operations and Planning  
Brenda Rothwell, Executive Director, Algonquin College Foundation  
Doug Wotherspoon, Executive Director, Advancement

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

**09-24 CONFLICT OF INTEREST DECLARATION**

None.

**09-25 APPROVAL OF PREVIOUS MINUTES**

## RESOLUTION

MOVED AND SECONDED – Sayah and Engelberts

that the minutes of February 9, 2009, be approved as amended.

**09-26 BUSINESS ARISING**

None.

**09-27 REPORT OF THE CHAIR**

The Chair observed that the May 11<sup>th</sup> meeting of the Board will be hosted by the Pembroke Campus and held at CFB Petawawa. A bus has been reserved and will leave the Woodroffe Campus at approximately 2:30 p.m., with the return to Ottawa at approximately 9:30 p.m.

The election of the Student and Academic Representatives to the Board of Governors was held on April 7<sup>th</sup> and 8<sup>th</sup>. The Student Representative winning candidate is Yusuf Khan and the Faculty Representative winning candidate is Pauline Edmonds. Their terms will commence on September 1, 2009.

Governor Armit recently had the opportunity to welcome the participants at the College's inaugural Internationally Educated Professionals conference on March 23<sup>rd</sup>. The Conference brought together hundreds of internationally educated professionals and dozens of employers and provided information and resources to professionals making the transition to the Canadian workforce.

The annual College Staff BBQ Luncheon which celebrates the successes and achievements of the past academic year will take place on Thursday, May 14<sup>th</sup>. An invitation to the event will be emailed to Governors who were asked to advise the Board Office if they are planning on attending.

The annual College Bursary Golf Tournament will take place on Tuesday, May 19<sup>th</sup> at the Loch March Golf Club. Governors interested in participating were asked to notify the Board Office.

The Chair spoke to the "Red-handed" booklet distributed to Governors and commented that the booklet is a compilation of the work being done by the Graphic Design Students and showcases the quality of work being done by the students of Algonquin College.

**09-28 REPORT OF THE PRESIDENT**

The President reported the following:

- The College was pleased to note the \$150M in year-end funding for Colleges and Universities in the provincial budget which will provide full funding for the enrolment growth that occurred in 2008-09. The final year of the funding for the Reaching Higher Plan will be delivered as promised, as well as the CERF Equipment Grant and \$10M in research funding;

**09-28 REPORT OF THE PRESIDENT** (cont'd)

- \$780M in infrastructure funding over the next two years was announced and the details surrounding which projects will be supported should be released in the coming weeks;
- No details have as of yet been released on the proposed new funding formula for 2010/2011 and beyond. It is anticipated that the announcement will be made in June of this year;
- The Ministry has expressed its commitment towards a credit transfer system between Colleges and Universities;
- The Multi Year Accountability Agreement model (MYAA) will continue for at least one more year. The College will work to meet these targets;
- The College was pleased to receive the funding announcement from the Federal Government that it will provide support in the amount of \$35M for the ECCTBS (Environmental Centre for Construction Trades and Building Sciences). There is hope that funding announcements for the Perth and Pembroke Campuses will follow when the full stimulus plan is revealed. Construction related to the ECCTBS will begin on approximately May 15<sup>th</sup> with the completion of the environmental assessment and the building of a new temporary transit station being the first step. Building construction will begin on October 15<sup>th</sup>. A full capital presentation will be provided to the Board on May 11<sup>th</sup>.
- Announcements related to investments in unfunded maintenance may also be released. The amount needed for Algonquin College is in the range of \$50M.
- The College is hosting Dr. Jane Goodall for an event on Wednesday, April 15<sup>th</sup>, where she will be speaking to a sold out audience at the Centrepointe Theatre.

**09-29 DECISION ITEMS AND REPORTS****PRESENTATION OF THE 2009/2010 BUDGET**

President Gillett opened the presentation of the Budget by commending all of the staff involved for the diligent effort put forth in the development of the budget which began in November, 2008. Throughout the development, numerous adjustments and reductions were made, with some restorations being made as information was received. The focus on student success always remained the central theme. He stressed that although the Board would be receiving a positive balanced budget, it is mostly due to one-time funding which as a result that there are no guarantees about sustainable investments in future years.

With respect to the Transformation Chart on page iii, the President indicated that the College is going through a period of transformation, with 2009 being the transitional year. The chart is included in an effort to depict the areas in which the College is focusing in order to remain competitive – fast, flexible and responsive. This Transformation is aligned with the Strategic Plan and is supported by investments in the budget.

R. Letourneau, Vice President, Administration, and D. McNair, Director of Finance and Administrative Services, provided the presentation of the budget which is summarized as follows.

**09-29 DECISION ITEMS AND REPORTS** (cont'd)**PRESENTATION OF THE 2009/2010 BUDGET** (cont'd)**2009/2010 Budget Challenges**

• Constraint – Tuition Fee Increase Cap of 5%	
• Salary Cost Increases, Annualizations and New Positions	\$7.1M
• Inflationary Cost Pressures	\$3.4M
• Rural Campus Expansion Annual Carrying Cost (Board Approved)	\$3.0M
• Lower Interest Earnings on Cash Balance	\$0.9M
• Service and Delivery Cost Pressures Related to Enrolment Growth, Full Time Activity in Evenings and Other Revenue Growth	\$2.1M
• 2008/2009 Operating and Growth Grants – Update Received from Ministry	\$4.5M
• <u>Increase Funding for Strategic Priorities</u>	<u>\$0.3M</u>
Total Budget Challenges	\$21.3M

**Strategies to Address Challenges**

• Operating and Growth Grants Updated	\$5.8M
o Estimated \$3.0M for “Reaching Higher” Resulting in \$1.3M net grant increase over 2008/09 level	
• Other Significant Grants	
o \$2.7M CERF (equipment) matched with spending	
o \$6.9M Capital matched with spending	
• 9.3% Enrolment Growth & Fees Increase	\$6.5M
o Classes until 10 p.m.	
o New Programs/Winter Intakes	
o Improved Retention	
• International Education (net)	\$1.0M
• Refined Salary and Benefit Estimates	\$3.1M
• Enhanced Revenue Streams	
o Corporate & Contract Training	\$0.7M
o Apprenticeship Growth	\$0.9M
o Second Career Strategy	\$0.6M
o College Ancillary Services	\$0.5M
• Discretionary Spending Reduced	\$0.7M
• <u>Process Improvements</u>	<u>\$1.9M</u>
Total	\$21.7Million

**Summary of March 26<sup>th</sup> Provincial Budget**

- Confirmation that the Reaching Higher Program for 2009/2010 will continue - \$3M (estimate for Algonquin);
- One-time funding for enrolment growth, quality and sustainability;
- Uncertainties remain with respect to college funding framework going forward. The current framework makes planning very challenging given the interdependencies with other colleges (GTA) and inadequate provincial funding envelopes to fully fund growth;

**Budget Summary**

• Revenues	\$237.4M
• Expenditures	\$236.3M
• Contribution	\$1.1M

**09-29 DECISION ITEMS AND REPORTS** (cont'd)PRESENTATION OF THE 2009/2010 BUDGET (cont'd)Risks

- Enrolment
- Growth and Operating Grants
- Other Revenues less than Budgeted
- Labour Relations
- Economic Downturn
- Facilities Qualities and Space Constraints

Funding for Strategic Priorities

- Environmental Demonstration Centre for Construction Trades and Building Sciences
- Perth and Pembroke Expansion
- Facilities, Equipment, Program Development
- Updates to be provided to the Board in May, 2009, on: Student Commons, Virtual Campus, Bridging to 2012, Healthy Communities Initiative

The next portion of the presentation focused on the various financial summaries within the budget including the pro forma, summary of annual budget and the following schedules: revenues, expenditures, funding for strategic priorities, appropriation and specific reserves, and the summaries of funded position and projected enrolment. All of the schedules can be viewed online within the approved budget at [http://www.algonquincollege.com/reports/pdf/budget\\_2009\\_2010.pdf](http://www.algonquincollege.com/reports/pdf/budget_2009_2010.pdf)

Questions/Comments:

- *Governor Tremblay: What does the funding for strategic priorities cover?* Renovations, cyclical renewals, equipment, business plan investments, construction costs for the trades building.
- *Governor Robblee: What is the College's current level of debt?* Approximately \$48M for the Police and Public Safety Institute and College Residences.
- *Governor Abraham: How will the \$35M announcement for the Trades Building be reflected?* Revenues will increase by \$17.5M. The general reserves will then be available to be drawn down for other purposes such as an investment in capital assets.
- *Governor Lamarche: Revenue Schedule, page 3: Is the International Student Tuition included in the tuition fees?* Yes. The \$8.3M is revenue which is generated from international premiums, contract activity, etc.
- *Governor Dunlop: What are the risks related to the increase in international and corporate training activity?* Strategies are in place to aggressively grow both lines of business and the capacity is there to accomplish this. Some of the strategies to achieve the increases are as follows:
  - A new full-time international recruiter position;
  - Increased offshore partnerships;
  - Increased Second Career program activity;
  - A downtown location has been leased to offer corporate and contract training in sector-specific areas such as construction.

**09-29 DECISION ITEMS AND REPORTS** (cont'd)**PRESENTATION OF THE 2009/2010 BUDGET** (cont'd)

- *Expenditures Schedule, page 4: What is the total of \$699K for Conferences/Courses comprised of?* This is a roll up of department budgets. Other investments such as the Centre for Organizational Learning are reflected elsewhere.
  - *Is the move to evening programming included in expenditures?* Yes.
  - *What is the \$13M in "Other Costs" comprised of?* \$3.5M contract activity (cleaning, security), rural campus construction, public relations, instructional supplies, \$3M contribution to reserves for rural campus construction, telephone bandwidth, municipal taxes, etc.
- *2009/2010 Projected Enrolment: what is the projected enrolment increase of 9.3% comprised of?* It is a combination of improved retention, new programs and new intakes.
- *Governor Lamarche: What is the risk if the enrolment target is not met and the province does not fund all of the growth as in the previous year?* The figures have been conservatively budgeted; there is, however, some risk in the growth of tuition fees.
- *Governor Lamarche: Why is there only an amount of \$7M indicated in expenditures related to the EDCCTBS for the year?* The majority of the expenditures for this coming October through March relate mostly to the City's Transit work, which is being managed by the College. Given that fact, along with the slower winter construction period, \$7M is the figure that the College expects can be spent. The majority of cash flow will occur in the middle to end of the project which is where the majority of the work will occur.
- *Governor Blackstein: Given the recent \$35M announcement for the EDCCTBS, what will the new strategy be with respect to the reserves?* The Board will have an opportunity to discuss this as part of a capital presentation at its next meeting. It provides for a number of possible opportunities for repurposed space, as well as new initiatives that are on the horizon.
- *Governor Orendorff submitted the following comments:*
  - *Strongly commend the approach of presenting this budget as part of a four-year transformation initiative that not only aligns with the Strategic Plan, as stated in the President's introduction, but provides the structure to achieve the remainder of our 5-year strategic plan. A cross-reference of the 21 strategic plan directions with the 16 transition objectives and the activities of the 13 new transformation initiative areas shows them highly correlated. I look forward to the next business plan which will detail the 2009/10 transformation activities. A great framework to operationalize the achievement of our strategic plan.*
  - *In analyzing this budget I have no context for analyzing trends or understanding financially how fast or how slowly this budget is achieving the transformation initiative and hence the strategic plan. For example, I note the identified revenue increases but am unaware if the related necessary expenses are included to achieve year 2 of the strategic plan. Is this expense increase significantly in the \$9M increase in Other Costs? Why the major reduction in Expenditures from Internally Restricted Funds in each of the next 3 years? How does cutting Top Quartile KPI funding by 50% help achieve this KPI direction? I need a context or framework for understanding at a macro level if this budget is sound.*
  - *This Board has a good understanding of the 5-year capital plan for Algonquin College, due most recently to the November, 2008, presentation of the Algonquin College 5 Year Capital*

**09-29 DECISION ITEMS AND REPORTS** (cont'd)**PRESENTATION OF THE 2009/2010 BUDGET** (cont'd)

*Plan; and the Phil Rouble February, 2008, Master Plan Study. We have a clear framework for understanding the capital plan, its current status and ongoing adjustments. We have a decision framework for capital. Is it possible to communicate to the Board a similar high-level budget framework, which a) includes a rough timeline of the major transformation initiative items of major budgetary impact, to enable b) an ongoing 5-year macro operating budget as a decision framework (add a column or two to the Pro Forma Summary) for new programs/demand-driven organization requirements; managing major risks, seeing the impacts of changes to the capital plan, etc.? Develop a tool for you to communicate to the Board the financial decision implications. In this case of the transformation initiative and hence the strategic plan.*

- R. Letourneau responded that the comments would be taken under advisement and an attempt will be made to develop appropriate responses. The President cautioned that at this time, the College does not yet know the financial implications beyond the current date and that when the new funding formula is released, the College will be better able to project into the future and answer some of the questions about risks.
- *In the risks section, the approach of the risk management plan is to, in part, use some of the transformation initiatives or to defer certain growth opportunities to mitigate the risks. However, this budget assumes, by definition, a number of these transformation initiatives to achieve the strategic plan directions, including this year's 9% enrolment growth target. Are we to some degree double counting these transformation initiatives and in fact the main risk mitigation result will be to slow down progress on the four-year transformation initiative and hence the strategic plan. Is it possible to refine the risk management activities to have more emphasis on items which will not slow down the achievement of the transformation initiatives and strategic plan? More items like increase Winter Intakes, additional international recruiter.*
- *The budget, and hence the risk plan, did not consider the Perth/Pembroke capital plan, now apparently mitigated; but also the potential \$15-25M Bill 90 impact; Ontarian's With Disabilities Act impact. Can we add these and other longer term risks to the 5-year operating budget framework and as relevant, to this risk management plan, so the Board understands the worst case scenario?*
  - The President replied that with regard to the Ontarian's with Disabilities Act, the concern is a system-wide issue that will have to be addressed at the provincial level; however, the College is mitigating some of its risk in building the new buildings. With regard to Bill 90, no further detail is expected until September, 2009, as to whether or not the conditions have been met to move forward with unionization. Once again, the College-system will have to work with the Provincial Government to fund any costs associated with this legislation.
- *Governor Dunlop: What are the implications of reducing the Business Plan priorities from \$2.1M to \$1M? \$1M is targeted for the transformation in 2009/2010 where as in previous years it was*

**09-29 DECISION ITEMS AND REPORTS** (cont'd)**PRESENTATION OF THE 2009/2010 BUDGET** (cont'd)

used for funding one-time initiatives. A specific reserve allocation will also be used for one-time initiatives. Overall, the total investment is larger than in 2008-2009.

- *Governor Dunlop: Why is there a decline in the projects in consultation with students?* Four years ago the Students' Association committed to providing yearly funding in support of student services. This program has been phased out as they will be now using that capacity towards the construction of the Student Commons.
- *Governor Blackstein: Recognizing that if infrastructure funding is announced for one or both of the rural campus construction projects, considerable effort will be required to meet the completion deadline of March, 2011.* M. Rushton, Director of Physical Resources, indicated that it will be a challenge but the College is confident it can deliver the projects as much of the site servicing and below ground work can be done while the design planning is ongoing. It would be ideal to have the funding announcements sooner than later but at this point, it is expected that the College could complete the projects given the current planning that is ongoing.
- *Governor Sayah: Has the College received the preliminary KPI results and how much funding does the College receive?* Yes. The results have been received and are being analyzed. It would appear that the College has improved in two of the three categories; the one issue negatively impacting the Student Satisfaction results is the lack of space at the College. The College received \$1.2M in KPI funding this year.
- *Governor Robblee: What part of the budget aligns with our central objective of student success? How do we visualize that alignment with the budget?* Student success is a driver of everything we do as a College. Throughout the budget exercise, every decision that is taken is reviewed based on its impact on student success. This is engrained throughout the entire process with the guide being the Strategic Plan.
- *Governor Robblee: How could the College be impacted if the projected 9.3% increase in enrolment is 10% off the target?* If there were a 10% drop in enrolment, there would be an approximate \$5.5M deficiency in tuition fees, as well as an impact on in-year growth grants of \$1.7M, the total impact would be between \$5-7M. The College would, however, closely monitor any situation of this nature and cost reductions would immediately be implemented as soon as any trending was evident. A drop in enrolment during a time of economic uncertainty is unlikely. There are 52 evening sections already in existence with more planned for fall, 2009, as well as summer, weekend and virtual offerings so there is reduced concern about meeting the targets; however, retention remains an area of concern and there is increased focus in this area as it is always a challenge. A large investment in retention has been made in this budget, with a plan in place that uses best practices from across the province and the country.
- *Governor Abraham: What are the initiatives planned to address the risks related to retention?* Several areas of focus have been identified including credit recovery, student success specialists, orientation, math camps, testing in Math/English, at risk reports, drop in centers; academic advising, and, review of courses and professors with limited success rates.

**RESOLUTION**

MOVED AND SECONDED - Blackstein and Hartley



**09-29 DECISION ITEMS AND REPORTS** (cont'd)**PRESENTATION OF THE 2009/2010 BUDGET** (cont'd)

That the Board of Governors approve the Proposed Budget for 2009/2010 and the transfer of 2008/2009 year-end surplus over \$1 million from the unrestricted net assets to internally restricted net assets.

**ALL IN FAVOUR**

R. Letourneau thanked the Board for their support and questions, and also the President for the direction and guidance provided throughout the process. He also thanked his colleagues and all management staff who worked countless hours for the past several months. D. McNair and his staff were also commended for their tireless effort and for the incredible job done in the preparation of the budget.

The Chair concluded the discussion by thanking, on behalf of the Board, the Finance Department, Senior Management and all of the College Staff involved in the preparation of the budget.

**09-30 MANAGEMENT SUMMARY REPORT**

The complete management summary report is available at [www.algonquincollege.com/board](http://www.algonquincollege.com/board).

*Questions/Comments*

- Governor Sayah commended Joe Ranieri, Director of Corporate Training, and his team, for the recent award won at the College's Ontario Conference.
- Governor Sayah commented that the volume of activity that is always going on at the College is remarkable.
- The Chair observed that students recently held a dinner event to recognize faculty and present awards for faculty recognition, and also that the Students' Association also presented the Chris Warburton award of excellence to Joan Macartney, Karen Davies and Jamie Bramburger.

There being no further regular business, the Members of the Board of Governors, excluding the President and Recording Secretary, moved in camera for a discussion.

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Dr. James Robblee, Chair

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Anna Cobus, Recording Secretary