

APPROVED

MINUTES OF MEETING NUMBER FOUR HUNDRED AND FIFTY SIX (THE ANNUAL GENERAL MEETING) OF THE BOARD OF GOVERNORS OF ALGONQUIN COLLEGE WHICH WAS HELD ON MONDAY, JUNE, 14, 2010 AT 5:00 P.M. IN THE ROSSER BOARDROOM, C539, WOODROFFE CAMPUS

Present	James Robblee, Chair William Johnson, Vice Chair Stephen Abraham Amelita Armit Fred Blackstein Michael Dunlop Veronica Engelberts Robert Gillett, President Sterling Hartley Yusuf Khan Lana March Doug Orendorff John Owens Valerie Sayah Michael Tremblay	Regrets	Carman Joynt Pauline Edmonds Robert Letourneau, Vice President, Administration
		Vice Presidents	Gerry Barker, Human Resources Kent MacDonald, Academic Joy McKinnon, Vice President, Business Development Deborah Rowan-Legg, Student Services Anna Cobus, Recording Secretary
Guests	Claude Brulé, Executive Dean, Faculty of Technology and Trades Jennifer Daly-Cyr, Director, College Marketing & Enrolment Marguerite Donohue, Executive Dean, Academic Development Duane McNair, Director, Finance and Administrative Services Russ Mills, Executive Dean, Faculty of Arts, Media and Design Brenda Rothwell, Executive Director, Algonquin College Foundation Kim Tysick, Executive Dean, Faculty of Health, Public Safety & Community Studies Doug Wotherspoon, Executive Director, Advancement		

The Chair called the meeting to order at 5:00 p.m.

10-44 CONFLICT OF INTEREST DECLARATION

None.

10-45 APPROVAL OF PREVIOUS MINUTES

RESOLUTION

MOVED AND SECONDED – Tremblay and Sayah

That the minutes of May 10, 2010 be approved as presented.

10-46 BUSINESS ARISING

None.

10-47 PRESENTATION

SUCCESSION PLANNING UPDATE

G. Barker, Vice President, Human Resources, provided an update on the Succession Planning Initiative that has been undertaken at the request of the Board of Governors. To date, the following activities have been completed:

- Definition of Algonquin's evolving leadership requirements;
- Definition of leadership behaviours at 3 organizational levels;
- Identification of high-risk roles;
- Literacy on how to identify potential ;
- Review and revision of high-risk role profiles; and,
- Process for clarifying the expectations and concerns about the succession planning program to ensure buy-in, including a presentation to all members of administrative staff on the Succession and Leadership Development Plan.

The next steps will include a two-stage call for individuals seeking increased leadership responsibility to self-identify; following which, managers will complete a talent planning assessment on those individuals. Beyond the existing efforts, the President's Executive Committee will begin assessing and developing new candidates with potential for leadership beginning in December, 2010.

On the table for Governors' information was a copy of the draft Expression of Interest Form and Talent Planning Assessment Tool which will be used in the process as outlined by G. Barker.

Aligned with the Succession Planning Project is the Centre for Organizational Learning's Leadership Development Level One and Two Programs. In addition, five senior administrators

are being sent to Harvard's Executive Leadership Workshops in June, 2010 to who will provide an assessment of the program in terms of the future development of the Level 3 and 4 programs. G. Barker and M. Donohue are also investigating the possibility of participating in the Disney Institute Leadership Excellence Program as a review of another model that could be considered.

The College will also be implementing an online performance evaluation model which will also assist with succession planning.

Questions/Comments:

- *Governor Tremblay: Is there any possibility of cross-pollinating this program across the College system?* It is sometimes difficult to get College colleagues to share and develop ideas in this regard; however, it is on the Committee of President's agenda for discussion. One issue that is of concern is the targeting and poaching of individuals so the discussion will likely remain at a generic level for some time.
- *Governor Johnson: What was the genesis of this project and how well was it received when it was introduced to administrative staff?* The College worked with Knightsbridge to develop the plan which has been very well received by the Administrative Staff in the College. It was Knightsbridge who suggested that the roll out of the project begin with a smaller group of employees (Administrative Staff), followed by Faculty and Support Staff in phases 2 and 3.
- *Governor Orendorff: How many of the 130 positions were classified as at risk and what is the level of vulnerability on those positions?* 8-10 positions were classified as near term risk; however, the level of vulnerability changes daily. We feel we are not in a vulnerable position today.

The Chair concluded the discussion by thanking Mr. Barker for the update and encouraged the College to continue with succession planning in an ongoing effort, with the Board receiving several updates each year.

10-48 REPORT OF THE CHAIR

The Chair reported the following:

- On the table for Governors was a draft schedule of meeting and event dates for 2010/2011. Governors were asked to review the schedule and advise the Board Office of any potential conflicts and also make note of the dates of such events as the President's Breakfast and Convocation.
- All incoming and outgoing Governors will be invited to attend the President's Breakfast on Thursday, August 26th at 8:30 a.m. A formal invitation will be sent from the Board Office.

- Governors Khan, Sayah and Orendorff attended the ACCC Conference held in Niagara Falls from June 6th to 8th. Governor Orendorff reported that he sent comments to the Governors regarding his positive experience, and Governors Sayah and Khan echoed the comments and added their own perspectives as well. Copies of the presentations from the conference will be made available on the ACCC website at www.accc.ca.
- The Board will host a special meeting on June 28th to receive the report and recommendations resulting from the Strategic Programs and Services Planning project. The Board will adopt the rules of parliamentary procedure for the meeting where governors will be permitted one question and two supplementary comments. Stakeholders who have new information to present for consideration, will be permitted to make a five minute presentation to the Board of Governors in accordance with Board Policy A10, Oral Presentations to the Board of Governors, recognizing that timelines may have to be adjusted accordingly depending on the release date of the report. Those wishing to make a presentation will be asked to confirm through the Board of Governors Office and will be required to provide an advance copy of their presentation. The Strategic Programs and Services Review Steering Committee will be in attendance, as well as members of the President's Executive Committee. The meeting will begin in Salon A beginning at 5:00 p.m.
- Prior to the special meeting at 5:00 p.m. on June 28th, Governors are invited to participate in a tour of the ACCE Building Construction site. Those interested in attending were asked to notify A. Cobus as soon as possible so that appropriate safety attire can be arranged.

Governor Sayah was congratulated on the completion of two academic achievements – a diploma in Business Administration and a certificate in Project Management which will be awarded at the convocation ceremonies on June 17th and 18th.

Governor Khan was also congratulated on his graduation from the Mechanical Engineering Technology Program, as well as being the recipient of the Walter Rosser Award for a high achieving student who has also shown a great deal of interest in the College and extracurricular activity.

The Chair presented plaques of appreciation to Governors Armit, March, Blackstein and Tremblay for their contribution to the Board of Governors throughout the past six years. A plaque of appreciation will also be presented to Governor Joynt who could not be present at the meeting.

Lastly, the President presented the Board Chair with a certificate of appreciation for his service as a member of the Board of Governors from 2004-2010, as well as for his service as a Chair of the Board from 2008 - 2010.

Questions/Comments:

- *Governor Blackstein noted that a spot on the Colleges Ontario Governors Advocacy Committee will become vacant as he retires from the Board and suggested that the College could use this opportunity to nominate a second Governor to the Committee, in addition to Governor Dunlop.*

10-49 REPORT OF THE PRESIDENT

The President reported the following:

- The recent focus at the College has been placed on year end activities with a number of one-time activities to be completed throughout the summer pending the Board's approval of the one-time strategic investments and appropriations funding.
- Convocation Ceremonies will be held at the Scotiabank Place on June 17 and 18; all Governors are invited to attend.
- The SPSP Steering Committee, under the co-chairmanship of Kent MacDonald and Robert Letourneau, will conclude its deliberations on June 15th with the final recommendations being presented to the President's Executive Committee thereafter, in preparation for the June 28th presentation to the Board of Governors.
- The Ministry has requested that all Colleges submit a new 10 year capital plan by June 30th. The Physical Resources team is working diligently to prepare the submission which it is felt is being requested in anticipation of the recent audit of College system facilities.
- Changes are expected regarding the Second Career program; however, details are unknown as yet.
- Design work is continuing on the Student Commons and Pembroke Campus relocation projects. To date, there has been no response related to the College's borrowing approval.
- A major recommendation emanating from the Audit Committee to retrofit the ITS Data Centre is proceeding in an effort to mitigate risk. Completion is targeted for the end of August, 2010.
- On the table for Governors' information was a copy of the College Employer Council bylaw regarding the transaction of the business and affairs of the CEC, including procedures for future Board of Governors appointments where responsibility for appointments will be split, with College Boards having responsibility for two thirds of appointments, and the CEC bearing responsibility for one-third of appointments. Further details will be shared with the Board as they are announced.

Questions/Comments:

- The Chair commented that it is fascinating that the Government would move in the direction to centralize more control with less oversight in local areas and local boards, which is just the reverse of its direction in health care in this respect.

- Governor Johnson indicated that he has agreed to continue to serve as the College's representative on the Governors Review Committee, formerly known as the College Compensation Committee, which looks at compensation across the College system and makes recommendations on guidelines.

10-50 DECISION ITEMS AND REPORTS

APPOINTMENTS TO THE ALGONQUIN COLLEGE FOUNDATION BOARD OF DIRECTORS

In accordance with the Foundation Bylaws, the Foundation Board of Directors is seeking to increase its membership to a total of 16 members who are able to reach out into the community and represent the Foundation Board.

RESOLUTION

MOVED AND SECONDED – Dunlop and Owens

That the Board of Governors approve the appointment of the following individuals to a three-year term on the Algonquin College Foundation, effective September 1, 2010: Dwight Brown, Max Keeping, Krista Kealey, and Bill Sioulas.

CARRIED

Questions/Comments:

- The President suggested that the Foundation Bylaws could be amended to transfer the responsibility for new appointments directly to the Foundation Board as it is a mature board which is capable of independently managing this responsibility. This comment will be raised to the Foundation Board for consideration in September, 2010.

REPORT OF THE GOVERNANCE COMMITTEE

Governor Armit, Chair of the Governance Committee, reported that the committee met on May 27th. Topics of discussion included: 2010/11 Board Officers and Committee Members, changes to Bylaw #3, the appointment of one additional external Governor for 2010/11 and, orientation and mentorship for the new external governors.

RESOLUTION

MOVED & SECONDED – Armit & Blackstein

That the following slate of candidates serve as the Officers of the Board, and members of the Audit and Governance Committees for the 2010/2011 Academic Year:

Board Officers

Chair	Michael Dunlop
Vice Chair	Doug Orendorff
Chair, Audit Committee	William Johnson
Chair, Governance Committee	Sterling Hartley

Audit Committee

Chair	William Johnson
Chair of the Board	Michael Dunlop
President	Robert Gillett
3 External Members	Doug Orendorff
	TBA in September, 2010
	TBA in September, 2010

Governance Committee

Chair	Sterling Hartley
Chair of the Board	Michael Dunlop
President	Robert Gillett
4 Governors	Valerie Sayah
	Sterling Hartley
	Yusuf Khan
	Doug Orendorff

CARRIED

The second item of business was a review of changes to Bylaw #3, Election of College Constituents, which was recommended by the College's legal counsel as a result of several concerns and two complaints which were launched following the April, 2010, student elections.

A discussion occurred regarding the addition of detailed guidelines for canvassing procedures as outlined in section 5.1. It was suggested and agreed to by members of the Board that the statement should indicate that "candidates may commence their campaign the day after the close of nominations and continue until the close of the election." A second amendment was made to section 7.6.1. to change the word "what" to "that."

RESOLUTION

MOVED & SECONED - Armit & Hartley

That the Board of Governors approved Bylaw # 3 as amended, effective June 14, 2010.

CARRIED

As a result of the resignation of Governor Joynt who is stepping down from the Board at the end of his current three year term, and following direction from the Board at the meeting of May 10th, President Gillett and Governor Armit interviewed Doreen Hume who is a Chartered Accountant in the not-for-profit sector at Deloitte & Touche LLP. Doreen has agreed to serve on the Board for a two-year term effective September 1, 2010, and has indicated an interest in serving on the Audit Committee. The purpose of the two year term is in keeping with the staggered membership format recommended by the Governance Committee in 2009.

RESOLUTION

MOVED & SECONDED – Armit & March

That the Board of Governors Recommend to the College Compensation and Appointments Council, the appointment of Doreen Hume to a two year position effective September 1, 2010.

CARRIED

A discussion took place with respect to orientation and mentoring. The Governance Committee has recommended that the existing external governors serve as mentors to the new governors in the upcoming year and also suggested that outgoing Governors March and Blackstein serve as mentors to the incoming rural governors given their proximity. Those interested in assisting were asked to notify A. Cobus.

With respect to orientation, a College session will be held in August, followed by the Colleges Ontario Orientation in October.

Governor Armit concluded her report by thanking the Governance Committee and entire Board for their efforts related to governance in the past two years and indicated that it has been her pleasure to have the opportunity to serve as the first Chair of the Governance Committee. The Board Chair thanked Governor Armit for her efforts and diligence in the work of the Governance Committee.

REPORT OF THE AUDIT COMMITTEE

Governor Johnson, on behalf of the Chair of the Audit Committee, reported that the Committee met on June 9th and discussed a number of items:

- The draft 2009/10 financial statements were presented and approved following an initial review by the Committee in May.
- KPMG presented the Management Letter and Audit Findings Report dated May 28. Management will present its response to the Audit Committee in the fall.

- Further to the 2009 management letter, a report was presented by Meyers Norris Penney who undertook an internal audit on the business impact analysis for business continuity planning related to information technology. The report will be reviewed by management throughout the summer with a response presented to the Audit Committee at its first meeting in the fall.
- Proposed internal audit topics for 2010/11 were discussed and it was recommended that a procurement analysis review be undertaken to inform management on how internal controls may be enhanced. A second review related to a Payment Card Industry Standards Review was proposed and will be undertaken if sufficient resources are available.
- An update was received on the performance of the Endowment Fund for the year ending March 31, 2010. The fair market value of the investments rebounded by 27% over the previous year and the fund is currently at \$11.5M. An additional \$1.5M will be deposited to the account from the Foundation which will result in a total account balance of \$13M.

AUDITED FINANCIAL STATEMENTS AND FOURTH QUARTER FINANCIAL REPORT

Audited Financial Statements

D. McNair reported that the College realized a positive net contribution of \$9,224,867 for the year ending March 31, 2010, as is disclosed on the Statement of Operations on Page 3 of the 2009/10 audited financial statements. A summary of the various schedules within the financial statements was provided, as well as the proposed list of appropriations and specific reserves. There were two significant changes that were made to this year's financial statements document compared to the previous year:

1. 2009/10 Approved Budget figures are included on the Statement of Operations and Schedule A: Revenue. The inclusion of budget figures within audited financial statements will be a requirement for Government not-for-profit organizations in two years. The College has elected to adopt this requirement early and as a result, the change required that the budget figures be aligned to the financial statement format required under financial reporting standards. Thus, on a line by line basis, the budget figures presented in the fourth quarter financial report differ from those presented in the audited financial statements document. The fourth quarter financial report is better suited for comparing actual to budget as it is formatted in a manner that aligns to the College's financial management practices.
2. Exclusion of Supplementary Expenditure Schedules in 2009/10. The College has elected to cease the production of these supplementary schedules as it was deemed that there was little value added with these additional schedules since the Board receives a comprehensive fourth quarter financial report that compares actuals to budget. These

reports require significant staff time and effort to produce and management continually makes efforts to prioritize financial reporting requirements under the tight year-end deadlines. The Ministry does not require expenditure information presented in this format. Several colleges have begun phasing out the production of these supplementary schedules including George Brown, Centennial and Fanshawe.

Fourth Quarter Report

In April 2009, the Board approved the College's annual budget for 2009/10 with a positive net contribution before Internally Restricted Fund Expenditures of \$2,615,000.

The 2009/10 approved annual budget included planned Expenditures from Internally Restricted Funds of \$8,881,000. These expenditures are intended to fund projects budgeted and started, but not completed, in the previous fiscal year; initiatives to support the strategic plan; and initiatives to support the 2009/13 Transformation Plan.

In February 2010, the third quarter financial report was presented with a positive projected net contribution before Internally Restricted Fund Expenditures of \$6,185,000. There were several variances from the approved budget and capital budget adjustments which were as a result of several one-time non recurring events such as unexpected year-end funding, increased ancillary revenues and others which were outlined in the fourth quarter financial report provided to the Board.

While both the audited financial statements and the fourth quarter financial report disclose a \$9,224,867 net contribution, there are differences in the revenue and expenditure line items between the two reports. The formatting and reporting structure between the reports do differ in a number of ways as the audited financial statements are prepared in a format required by the Ministry that complies with financial reporting standards set by the Canadian Institute of Chartered Accountants, while the fourth quarter financial report is prepared in a format that reflects the College's approach to financial management.

The President added that while a year-end surplus is welcomed, the College remains very marginalized on its operating budget and the fiscal situation remains challenging. It is therefore prudent of the College to set aside some surplus. In addition, the College cut \$7.8M out of its operating budget at the beginning of the budget process for 2010/11 which must be taken into consideration when planning for future expenditures and how best to restrict operating costs.

- *Governor Tremblay: What is the College's revenue growth strategy?* The greatest impact area is in that of retention. Business development, international and virtual delivery are also strategic areas of focus for revenue growth.

- *Governor Johnson commended Duane McNair on his efforts and excellent support to both the Board and Audit Committee. The Board Chair echoed the comments and thanked the entire management team for their ongoing, positive efforts.*

RESOLUTION

MOVED & SECONDED – Johnson and Armit

That the Board of Governors approve the 2009/10 audited financial statements and the 2009/10 fourth quarter financial report.

CARRIED

ENDOWMENT FUND INVESTMENT RESULTS

D. McNair reported on the performance of the Endowment Fund portfolio against the relevant benchmarks. Investment performance for the fourth quarter of 2009/10 was equal to the relevant benchmarks established in the Investment Policy with a gross return of 2.04%. For the fiscal year ending March 31, 2010, the portfolio achieved a gross return of 27.64% versus a benchmark of 25.21%. The Chair commented that the Audit Committee is satisfied with the investments and indicated that it would be worthwhile to send Governors a copy of the investment report for review and information.

BANKING OFFICERS 2010/2011**RESOLUTION**

MOVED & SECONDED – Gillett & Khan

That for banking purposes, the following are the officers of Algonquin College of Applied Arts and Technology, effective September 1, 2010:

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

Chair	Michael Dunlop
Vice Chair	Doug Orendorff
Secretary	Robert Gillett
Treasurer	Robert Letourneau

SENIOR OFFICIALS OF THE COLLEGE

President	Robert Gillett
Vice President, Academic	Kent MacDonald
Vice President, Administration	Robert Letourneau
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

CARRIED

2009/2010 ANNUAL REPORT

The President spoke to the 2009/2010 Annual Report and indicated that the Board should be proud of what the College has accomplished under its leadership. The report was received as presented and can be viewed online at <http://www.algonquincollege.com/reports/>.

10-51 MANAGEMENT SUMMARY REPORT

The complete management summary report for June, 2010, was received as presented and can be viewed online at www.algonquincollege.com/board.

There being no further business the Board moved In Camera at 6:37 p.m. and adjourned for the evening at 6:59 p.m.

(original signed by)

Dr. James Robblee, Chair

(original signed by)

Anna Cobus, Recording Secretary