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**DRAFT**

**BOARD OF GOVERNORS**

MINUTES OF MEETING NUMBER FOUR HUNDRED AND SEVEN OF THE BOARD OF GOVERNORS OF ALGONQUIN COLLEGE WHICH WAS HELD ON TUESDAY, JUNE 7, 2005 AT 5:00 P.M. IN THE ROSSER BOARD ROOM, "C" BUILDING, WOODROFFE CAMPUS

Present: Herb Kreling, Chair  
David Wallace, Vice Chair  
Vini Bhindi  
Fred Blackstein  
Richard Cameron  
Robert Gillett  
Cathy Kirkpatrick  
Lana March  
Wayne McIntyre  
James Robblee  
Mubasher Saifi  
Michael Tremblay  
Wayne Wilson

Regrets: Amelita Armit  
Steve Georgopoulos  
Jacqueline Holzman  
Shirley Westeinde

Vice Presidents seated at the table:

Raymonde Hanson, Academic  
Robert Letourneau, Finance and Administration  
Christopher Warburton, Student Life & Human Resources

Resource Personnel and Observers:

Louise Barnabe  
Marguerite Donohue  
Dawn Dubé  
Lise Filiatrault  
Kent MacDonald  
Andrew McKelvey  
Nick Papadolias  
Luc Presseau

Rick Reid  
Deborah Rowan-Legg  
Pauline Tam

Anna James  
Recording Secretary

The Chair called the meeting to order at 5:05 p.m.

**05-38 CONFLICT OF INTEREST DECLARATION**

None declared.

**05-39 REPORT OF THE AUDIT COMMITTEE**

C. Kirkpatrick, Chair of the Audit Committee, reported that the Committee met on June 1<sup>st</sup> to review the draft audited financial statements which received unanimous approval by the Audit Committee, along with the audit findings report and management letter.

Ms. Kirkpatrick noted that the financial statements were submitted on May 17<sup>th</sup> to the province in a pilot project to prepare for 2006 when the statements are required to be submitted by May 15<sup>th</sup>. It was also noted that requirements regarding the provincial consolidation of financial statements are under discussion as they will have a significant impact on the College. Ms. Kirkpatrick indicated that it would be appropriate for the Board to be kept informed during the coming year as to the implications this initiative will have on the College.

R. Letourneau, Vice President, Finance and Administration, provided a summary of the 2004-05 financial results and expressed his pleasure in reporting an unrestricted surplus for the College for the first time in ten years.

Comments/Questions:

- *Why is there a substantial increase in accounts receivable?* The Province announced a number of additional grants at year-end which were deferred to 2005-06.
- *How is long term debt interest handled in the College as compared to other businesses?* It is built into the yearly departmental budgets and is shown in various amortization notes.
- *Why does the long term debt repayment decrease so much after 2005-06?* The 2005-06 repayment includes one time payments on the trades facility loan and the Kanata land loan.
- *Will the College own the land in Kanata by the end of 2006?* No. To clarify, the College does own the land but owes money on what is owned.
- *What is the reason for the large increase in the employee benefits plan?* This is a result of the increase in pension premiums.

**05-39 REPORT OF THE AUDIT COMMITTEE (cont'd)**

Ms. Kirkpatrick reported that the Auditors, with the Audit Committee, reviewed the audit findings report which focused on a number of areas including accounting policies and practices, grants received from the Ministry at year end, the sale of ACERRA, the purchase of the St. Nicholas School property and the audit differences and internal controls.

**RESOLUTION**

MOVED and SECONDED – Kirkpatrick and Robblee

that the draft audited financial statements for the fiscal year ending March 31, 2005 be approved.

CARRIED UNANIMOUSLY

The Chair commended the College for its efforts in meeting the provincial deadlines and noted that the independent auditors of the College indicated that they received the utmost of cooperation when working with College employees to fulfill the audit requirements.

**05-40 PRESENTATION OF THE 2005-06 BUDGET**

The President remarked that the new funding from the Government as outlined in the synopsis on page 1 of the budget has been well received but cautioned that this year's budget is an anomaly and the College must continue to work diligently to implement cost controls as it moves forward given the provincial funding announcements represent slightly less than the inflationary rate over the future years.

R. Letourneau provided a historical overview of the preparation for the 2005-06 budget in which initial estimates included an approximate \$8.5M shortfall as a result of inflation, the loss of a sustainability grant, faculty salary annualization and other factors. From that point, a great amount of effort was undertaken on a number of fronts to consider solutions to the shortfall which included enrolment growth, reduced capital projects, increases in ancillary contribution and increases in revenues/reductions in expenditures.

For 2005-2006, the College received approximately \$14.3M in new monies, \$8.3M of which is in the form of capital grants in the provincial budget. Each area provided an overview of their budgets highlights:

**05-40 PRESENTATION OF THE 2005-06 BUDGET** (cont'd)Student Life and Human Resources

The welcomed infusion of funds permitted Student Life and Human Resources to move forward with Student Service improvements which had temporarily been made possible with the former Quality Assurance Funds for the past two years. It has also allowed the re-establishment of a much-needed emphasis on planned professional development in alignment with the College's Strategic Plan.

Finance and Administration

The 2005/06 budget provides the basis for Finance and Administration to continue to increase its services for its clients at the same time as increasing efficiencies to minimize cost increases. Additional provincial funding was very useful in helping to offset the annual impacts of inflation and also assists in addressing physical resources and IT infrastructure deficiencies.

Strategy & Business Development

The 2005/06 budget reflects the alignment of several existing business units into the new Strategy and Business Development Area. Merging these activities ensures the most efficient allocation of college resources and allows each of the departments to leverage the expertise within the respective staff groups. The overall purpose of the new area is to enhance the reputation of the College and raise new revenues to be reinvested in Algonquin's programs and services.

Academic Services

The 2005/06 budget reflects the new structure of the Academic Services area. The re-organization started last year with the consolidation of Continuing Education activities under the School of Part Time Studies, and the transfer of the activities of the School of Academic Advancement and Languages to the schools of Media & Design and Part Time Studies. This year, the remaining schools have been merged into faculties with the exception of the Pembroke operations which will remain a school. This budget supports strategic growth, program quality and renewal, human resources development and renewal, and technology and e-Learning.

President's Area/Public Relations & Communications

Activities in this area will carry on as in the past year adjusted by the creation of the expanded Business Development area.

Dedicated Funds and Contingencies

The Mandated Student Aid and a portion of the student tuition revenue will be allocated back into student assistance. Operating contingencies remain unchanged; however, the College has introduced a \$400K

**05-40 PRESENTATION OF THE 2005-06 BUDGET** (cont'd)

contingency fund based on a warning from the pension plan that an increase on January 1, 2006 may be required.

Comments/Questions Included:

- *Governor Tremblay indicated that it is becoming increasingly common for governments and municipalities to streamline IT operations in an effort to share costs and increase efficiencies. Perhaps the College could consider this type of partnership with some of its sister Colleges and investigate grant opportunities to assist with the implementation.* The President noted that due to the provincial consolidation model the College may be required to move to a common data system. This comment was taken under advisement for further discussion between Governor Tremblay and College Administration.
- *Is there a formula for professional development activity based on a percentage of payroll?* There are statistics available but the College has not yet developed a benchmark for this. The comment was taken under advisement.
- *How will the College move forward now that it finds itself in a positive working capital situation? Is there a policy that directs the use of funds earned as a surplus in any given year?* The College will contemplate deficiencies and consider allocating funds towards those issues in infrastructure, buildings, programs and equipment. At present, the College is developing a five year fiscal sustainability plan which will include recognition of the impact of dealing with a fiscal surplus or deficit. The College is also in the process of developing a five year capital plan with policies regarding reserves and contingencies.
- *What happens to the 2005-06 budget once approved?* It is posted to the College web site.
- *Are we bound by a non-competition clause in the sale of ACERRA?* No.
- *Is it possible to have a single page listing the net contribution of each area?* This is listed on page 4 under the corporate summary. The question will be taken under advisement; however, the College does have to report contribution under Ministry guidelines.
- *Does this budget address the plan set out in the 2005-2008 strategic plan outcomes?* Yes. The 2005-06 Business Plan will be brought to the Board for approval on June 13<sup>th</sup> which addresses the next steps in the Strategic Plan. The President noted that a review of the Strategic Plan will be undertaken in 2005-06 as it is at the half way point and it needs revitalization in some areas.
- *Will the Board see, as part of the Strategic Plan, an aim toward the 70/30 split in full time versus part time faculty?* The Board needs to be reassured that staffing is an integral part of the strategy. In the history of the College, the highest ratio achieved was a 71/29 split of full time

**05-40 PRESENTATION OF THE 2005-06 BUDGET** (cont'd)

versus part time faculty. A review of staffing will be undertaken along with the revitalization of the 2003-2008 Strategic Plan.

- *The Board should send a clear message to management that a 70/30 split is an important target to meet and that it would address faculty concerns and lead to a much healthier environment at the College.*
- *Governor Wilson commended the College for its key identification of professional development investments and noted that he sees himself participating in the roll out as a part of the mentoring program.*
- *The Board should receive, on an annual basis, the cost of IT services for students in terms of how expenses are invested into equipment and updating services. Also, it would be useful to include staffing IT figures as well. Some clarification will be required to determine which elements would come under the nomenclature of IT services.*
- *Governor Wilson noted that there seems to be a corporatization approach to the marketing at Algonquin College with regards to the Achievement Centre and added that as an experienced faculty member, he would like the opportunity to share his teaching experiences with colleagues in the elementary school system.*
- *Why is the enrolment target in Part Time Studies increased by 6% over last year when the trend is that the activity is declining?* The School of Part Time Studies has taken its activity into account and will work to meet its targets. Distance Education activity is growing which is a factor in the contribution target as well. Part time studies is moving to contribution targets rather than just enrolment.
- *What is the status on the link across Woodroffe to the transit station?* The Chair noted that ongoing discussions at the City include the development of City land across Woodroffe and it is hoped that by the fall a City report will be released with a plan for the development which incorporates the construction of a overpass/link.
- *Does the College indicate how many positions are redundant and how many are new in the staffing report?* This information is reported in the quarterly complement reports that the Board receives.
- *How much was given to the College for apprenticeship training?* Just over \$1M was allocated to apprenticeship training in the form of envelope funding. Also, a 2% increase in the seat purchase value was added and a one-stop shopping for apprenticeship training is under consideration by the province.

The Chair concluded the discussion by observing that the 2005-06 budget is the most positive budget released in a significant period of time and thanked administration for the work done to in its development. He also noted that this is an example of what the College can do with a more appropriate funding stream from the province.

**05-40 PRESENTATION OF THE 2005-06 BUDGET** (cont'd)

## RESOLUTION

MOVED and SECONDED – Blackstein and Wallace

that the Board of Governors approve the 2005-2006 budget as presented.

CARRIED  
12 in favour  
1 against (Wilson)

**05-41 BOARD APPOINTMENTS**

The Chair noted that Governor Wilson had made recommendations regarding the Board Member nomination process approximately half way through this years' process and that it would be taken under advisement prior to beginning the 2006-07 nominations process. Governor Wilson added the recommendations made were fundamental and he intended the entire Board would have the opportunity to look at nominations, rather than just the nominating committee.

The Chair reported that the Executive Committee had met prior to the Board meeting for the purposes of discussing Board Member nominations.

All nominations were reviewed and based on all considerations, the nominating committee, consisting of David Wallace and Cathy Kirkpatrick, submitted the names of Veronica Engelberts, Sterling Hartley and William Johnson for recommendation for appointment to the Board of Governors. These recommendations were fully endorsed by the Executive Committee. Copies of their resumes were available upon request.

Governor Wallace highlighted the backgrounds of the three individuals who each bring a significant element to the Board: Veronica Engelberts comes with a background in advertising, Sterling Hartley, a background in policing, and Bill Johnson, a corporate lawyer and chartered accountant, as per a recommendation from the corporate auditors to seek a governor with a professional designation.

## RESOLUTION

MOVED and SECONDED – Kirkpatrick and Wallace

that the Board of Governors recommend to the College Compensation and Appointments Council that Ms. Veronica Engelberts, Mr. Sterling Hartley

**05-41 BOARD APPOINTMENTS** (cont'd)

and Mr. William Johnson be appointed to the Board of Governors, for a three year term, beginning September 1, 2005.

CARRIED UNANIMOUSLY

**OFFICERS FOR 2005-06**

The Executive Committee is composed of the Chair, Vice Chair, Chair of the Audit Committee and the Past Chair, or in the event of this office being vacant, one other external governor appointed by the Board. In addition, the President is a member of the Executive Committee by virtue of office.

The following slate of candidates was recommended to serve as the Officers of the Board for the 2005-06 Academic Year:

Chair – David Wallace

Vice Chair – Shirley Westeinde

Chair, Audit Committee – To be determined in September 2005.

Past Chair – Amelita Armit

**RESOLUTION**

MOVED and SECONDED – Kirkpatrick and Wallace

that the Board of Governors approve the above slate of candidates as the Officers of the Board for the 2005-06 academic year.

CARRIED UNANIMOUSLY

**05-42 OTHER BUSINESS**

Governor Blackstein commended the College for the successful Risk Management Conference held at Wilderness Tours on May 30<sup>th</sup> and 31<sup>st</sup> and added that he felt that the College reputation was greatly enhanced across Eastern Ontario and the country.

*There being no further business, the Board adjourned at 6:42 p.m.*

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Chair

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Recording Secretary