

APPROVED

MINUTES OF MEETING NUMBER FOUR HUNDRED AND SEVENTY EIGHT OF THE BOARD OF GOVERNORS OF ALGONQUIN COLLEGE WHICH WAS HELD ON MONDAY, FEBRUARY 11, 2013, AT 4:00 P.M. IN ROOMS CA105 A-B-C, ACCE BUILDING, WOODROFFE CAMPUS

Present	James McIntosh, Chair	Regrets	Louis Lamontagne
	Denise Amyot		Barbara Farber
	Fred Blackstein		Kathryn Leroux
	Michael Dunlop (via teleconference)		Andrew Pridham
	Nancy Cheng		
	Lynne Clark	Vice	Gerry Barker, Human Resources
	Kyrylo Kasyanenko	Presidents:	Duane McNair, Finance & Administration
	Kent MacDonald, President		Laura Stanbra, Student Services
	Mark Sutcliffe		
	Jeanine Chiasson		
	Doug Orendorff	Recording	Miranda Wilson
	John Owens	Secretary	
	Shawn McBride		
Observers	Doug Wotherspoon, Executive Director, Advancement		
	John Tattersall, Director, Physical Resources		
	Kathryn Moore, Registrar, Registrar's Office		
	Jennifer Daly-Cyr, Acting Director, Strategic Programs and Services Planning		
	Dave Donaldson, Dean, School of Business		
	Shelley Styles, Director, Student Support Services		
	David Corson, President, Students' Association		
	Chris Mines, Algonquin Times		
	Russ Mills, Dean, Faculty of Arts, Media and Design		
	Cathy Dempsey, Director, Finance and Administrative Services		
	Michel Savard, Dean, School of Hospitality and Tourism		
	Barbara Foulds, Acting Dean, Faculty of Health, Public Safety & Community Studies		
	Doug Ouderkirk, Executive Director, Academic Operations & Planning		
	Brenda Rothwell, Executive Director, Foundation		
	Peter Mackie, Director, Sales and Student Recruitment		
	Peter Larock, Chair, Design Studies		
	Joe Ranieri, Director, Business Development		
	Glenn MacDougall, Director, Learning and Teaching Services		
	Eric Hollebhone, Director, Marketing		
	Mark Hoddenbagh, Director, Applied Research and Innovation		
	Angela Clermont, Acting Director, Information, Institutional Research & Technology Services		
	Suzannah DiMarco, Executive Administrator to the President & Board of Governors		

The Chair called the meeting to order at 4:03 p.m.

12-60 CONFLICT OF INTEREST DECLARATION

Governor McBride declared a conflict of interest with respect to the Energy Services Company Agreement recommendations as a result of a relative working for Siemens. The Chair confirmed that this would not be a conflict of interest since it is not an immediate relative to Governor McBride.

12-61 APPROVAL OF THE PREVIOUS MINUTES

RESOLUTION

MOVED & SECONDED – Amyot and Clark

That the minutes of December 10, 2012, be approved as presented.

12-62 BUSINESS ARISING

ENERGY SERVICES COMPANY AGREEMENT

D. McNair, Vice President, Finance and Administration, reminded the Board that relevant background information was provided with respect to the ESCO agreement at the December Board meeting. Since that meeting, the College has continued to address the technical, financial and legal considerations. D. McNair invited J. Tattersall, Director Physical Resources to provide an update.

J. Tattersall confirmed that since February 1, 2013 legal and financial details have been undergoing further review. Deloitte supports two of the three legal requirements and once the legal considerations are finalized they will be seeking approval to award a contract to Siemens for Phase 1. Following a request from the President, J. Tattersall confirmed that Phase 1 for the ESCO2 project will concentrate on the B Building HVAC replacement, various electrical and water system improvements throughout the Woodroffe Campus, as well as the hiring of a Sustainability Coordinator for five years to assist in the creation of behavioural improvements, communications and executive reporting of green initiatives. J. Tattersall reported that Siemens has been meeting aggressive timelines and spoke to the extent of the overhaul and replacement required in the B Building (built in 1969). He continued that because we do not currently have a contract in place, Siemens, at their sole risk and own financial liability, has initiated all design work for Phase 1. The total value of the investment including deferred maintenance was reported at \$51.6M, to achieve \$3.7M in annual energy-related savings and revenues. As an intended consequence of the investment, approximately 50% of the College's \$41.9M deferred maintenance liability would be addressed. J. Tattersall added that even if the College does not proceed with Phases 2 and 3, the College is in a good position with completion of Phase 1.

The College will continue to operate throughout the entire infrastructure modifications (all three phases) for a 5 year period, at which point next steps will be discussed with Siemens. The intent is for Phase 2 to be presented to the Board at the May 13th meeting for approval.

Siemens submitted an application for a micro feed-in-tariff program. Due to the number of applications received for the program (800), it will not be decided until late July who has been accepted into the program. Offers of acceptance will be based on merits of application and benefits of society. J. Tattersall pointed out that this is an opportunity for advocacy, although the province has not stated whether or not they wish to open the main feed-in-tariff program. He suggested that this will not only benefit the College, but the City and Province.

Questions/Comments:

- *Governor Blackstein: The Ontario Power Authority is looking at amalgamating all utilities within the Ottawa Valley to one utility and this may delay any approval. There is an estimated 600,000 customers per utility. There is currently a debate with regard to this amalgamation at Queens Park. If the fit program price per kwh is lower than anticipated are we at risk of not achieving a payback?* J. Tattersall advised that the rate in the application is sufficient to have the contractor upgrade roofs, install PV solar panel equipment and deliver a payback within a 20 year period.
- *Governor Owens: What happens if fit program does not move ahead?* Then the College would not proceed with Phase 3 and would make alternative arrangements to meet these targets.
- *Governor Owens: Refitting the mechanical in Building B will be a significant task, how will they maintain the function of the building during this time?* An exterior mechanical room that is architecturally compatible with B Building's face along Woodroffe Avenue will be constructed with piping extended underground and up through the building (during the last stage). Majority of work is also being completed at night and/or on the weekends.
- *Governor Cheng: What exactly are you seeking from the Board?* J. Tattersall responded that this report is being presented for information only until all legal considerations are complete. The Chair confirmed that the Executive Committee was provided with Board approval at the December meeting and that if all items were in order they may present to the Executive for approval in advance to the March 11th Board meeting.

12-63 DECISION ITEMS & REPORTS

2012-2013 3rd QUARTER FINANCIAL REVIEW

D. McNair asked Governors to refer to the 2012/2013 3rd Quarter Financial Report Summary on page 3 and highlighted the following items:

- Q3 Year-End Projection – The College is anticipating a net contribution as per GAAP of \$5.4M, which is a \$2.1M variance. This is due to net enrolment as well as the removal of contingency revisions that were included in the budget at the start of the year. There were also a couple of negative variances. The net contribution is lower than budgeted due to less than anticipated revenues (contracts, etc.) that were not realized.
- Strategic Investments are less than budgeted with an overall net variance of \$2.1M.

Questions/Comments:

- *Governor Orendorff: Why is the interest rate swaps up from \$5.5M to \$14M?* D. McNair confirmed the updated evaluation of \$14.2M and that this is based on market interest rates. It is merely a mark to market valuation that the College is required to report in the financial statements.
- *Governor Orendorff: Will you do this more going forward?* We will attempt to bring this information forward more frequently throughout the year.
- *Governor Dunlop: Included in the Contract Activity shortfalls is Applied Research, given this is such a strategic focus, should we be worried that this is under performing?* No, there is no cause for concern since significant grants have been received. M. Hoddenbough, Director Applied Research and Innovation manages the funding to be cost neutral. The volumes will fluctuate year-to-year, but with minimal net impact to the College.
- *Governor Dunlop outlined a concern when strategic investments are less than planned. He felt that this information is important to the Board because when we don't spend this money it can be assumed that we are underachieving strategy.* D. McNair noted this comment.
- *The Chair asked for D. McNair to speak to the sale of the previous Pembroke Campus (315 Pembroke Street).* D. McNair advised that the sale of this property will not occur within this fiscal year and proposed that additional internally restricted assets be utilized to replace this source of funds. Then, once the property has been sold at a future date, the net proceeds from the sale would be allocated back to internally net asset accounts.

RESOLUTION

MOVED & SECONDED – Blackstein and Owens

That the Board of Governors approve the use of internally restricted net assets to finance the portion of the new Pembroke Campus construction costs that were originally to be funded from the proceeds from the sale of the former campus property and that the Board of Governors accepts the 2012-2013 3rd Quarter Financial report as presented.

CARRIED

2012-2013 3rd QUARTER BUSINESS PLAN UPDATE

D. Wotherspoon, Director, Advancement provided Governors with an overview of the process when preparing the 3rd Quarter Business Plan report and confirmed that this is being presented for information.

Questions/Comments:

- *Governor Cheng: Why is that status for AE2.2 (page 2) yellow?* This is with respect to decreased revenues in International.

The Board of Governors accepted the 2012-2013 3rd Quarter Business Plan as presented.

2013-2014 BUSINESS PLAN

D. Wotherspoon circulated a copy of the revised 2013-2014 Business Plan and provided an overview of the process when establishing this. He reminded Governors that this process began at the Board of Governors Retreat in September and aligned with the initiatives and measures identified by the College Leadership Council and President's Council. D. Wotherspoon continued by highlighting the 4 strategic pillars and 12 supporting goals and spoke to how the measures that are reflected in next year's Business Plan are in support of these goals. Some highlights were shared with the Governors.

D. Wotherspoon identified the following changes that were included in the revised copy that was circulated at today's meeting:

- AE 2.7 Complete the development of the College's Health and Wellness vision now also includes the development of business framework.
- New measure AE 3.7 – Expand the availability and use of open educational resources (OER) has been added to ensure the system is being used as anticipated.
- FS 12.3 – Continued investment in the College's information (IT) network, including its monitoring, control and support systems, to ensure a consistent level of internet and wireless connectivity. Students identified an opportunity to investigate and control the IT network.
- Eliminated "the how" so it strictly reads, FS 12.4 – Reduce dependency on dedicated labs.

The revised 2013/2014 Business Plan was presented for Board approval. The Chair commended the College for preparing and presenting the Plan for approval earlier than in the past. He added that he also appreciated the manner in which the measurable outcomes were presented.

Questions/Comments:

- *Governor McBride: With respect to AE 3.7 and measuring faculty's ability to use Open Educational Resources, since we can now access global OER's that are readily available, I would like the measure to include faculty's use of external resources. D. Wotherspoon confirmed that he would modify the language to incorporate Governor McBride's suggestion..*
- *Governor Blackstein: How far will we task for a partnership to offer a Master's Degree or similar graduate credential, will we go beyond Ottawa? The President responded that one option would be to seek interest from local university colleagues. This was attempted a couple of years ago with no progress. One university in the east has also expressed their interest and are known to deliver programs off site. The President confirmed that this would likely be a Master's in Education.*
- *Governor Cheng: Goal 11, initiative FS 11.1 Establish a new multi-year College-wide fundraising plan and the measure for a 5 year fundraising plan to be presented to the Foundation Board and Board of Governors, will this also include acceptance and approval from both Boards? L. Stanbra accepted this request as presented and will action accordingly.*
- *Governor Cheng: How doable are the particular numbers identified in the Business Plan (in general)? D. Wotherspoon confirmed that these figures align with the Strategic Plan. The*

Strategic Plan is ambitious, but there is a belief within the Senior Leadership team that it is achievable, with College-wide support.

- *Governor Orendorff: There are many more initiatives in the 2013/14 plan than in the 2012/13 plan (from 40 to 60). Can it be inferred that since the 2012/13 plan was achieved with ease, that this plan, which may be significantly more challenging, is an equally achievable target for 2013/14?* D. Wotherspoon responded that in previous years there have been a fair amount of initiatives that sit within department Performance Contracts. This year the College raised these to the surface; therefore, it is similar to previous years. The President noted when looking at the 23 measures identified in the Strategic Plan, it was felt that the 2013-2014 Business Plan will move the College towards these goals. Staff and faculty also worked quite diligently to associate financial resources with these. Overall the President advised that he is comfortable that the Business Plan will bring the College to where it should be by the end of the year relative to the 5 year plan.
- *Governor Orendorff: Measuring against 23 measures is great; however, I am concerned it might be too constraining, how will this evolve?* When referencing the Strategic Plan, it was noted that this is a dynamic document and that changes may be required due to changes in government, et cetera. Any required changes will be brought forward to the Board as they happen.

RESOLUTION

MOVED & SECONDED – Sutcliffe and McBride

That the Board of Governors approve of the 2013/2014 Business Plan with the adoption of two amendments.

CARRIED

2013-2014 ANNUAL BUDGET

D. McNair shared the public funding challenges (environmental scan from Colleges Ontario), reviewed the operating grants as well as provided an overview of the financial health of Algonquin College. He reported that the Ontario College system is the lowest funded system in the country. He showed Governors a comparison chart reflecting the public funding received by Algonquin vs. other revenues noting that the 2014 proposed budget total grants and reimbursements has fallen to 36% of total revenues, which has been a steady decline.

D. McNair shared information on the College Funding Framework in Ontario (GPOG and Enrolment Grant) and noted that this is based on enrolment at each College. This funding per student is in decline and will continue to decline through 2015-2016 due to funding reductions implemented in 2013-2014 and 2014-2015. .

The Financial Health Ratio Analysis compiled by the Colleges Ontario Finance Officers, COFO's was presented.

D. McNair concluded that the College is in good financial health as indicated by the ratios developed by the Ministry of Training, Colleges and Universities and Colleges Ontario Financial Officers. The budget highlights were provided by D. McNair confirming that the College's funded activity and non-funded activities are balanced. There is a projected enrolment increase of

3.1%, expansions of Mobile Learning Programs, new faculty and staff positions to accommodate growth as well as a new budget format, revised to include historical data as well as closer alignment to new PSAS standards.

Questions/Comments:

- *Governor Cheng: Are we similar to other institutions?* Algonquin is better than average when compared to all 24 colleges. Compared to the 8 large colleges we are not amongst the top performers in most categories, but still in good financial health.
- *Governor Dunlop: Is counting on more than \$6M in Ancillary Services a risk factor when comparing to last year's contribution?* Yes, it could be. It is not an overly ambitious budget target and will have to be monitored carefully throughout the year.
- *Governor Blackstein: The budget challenges slide, the second column, are these figures over and above 2014-2015, are we losing another \$923K or another \$600K?* 600.
- *Governor Orendorff: This budget does not have any money allocated for any of the additional projects identified in the June 2010 Capital Submission to MTCU. We have not identified provisions to move forward with these additional projects because we require additional external funding in order to proceed. We need to have additional capacity for these projects and require external support.*
- *Governor Orendorff: Will the College Integrated Development plan be presented to the Board in June?* Yes.
- *Governor Orendorff: Were each of these projects, for expansion, within budget?* Yes, they were all within budget. Perth was adjusted, but we stayed within the adjusted budget.

RESOLUTION

MOVED & SECONDED – Orendorff and Owens

That the Board of Governors approve the 2013-14 Budget.

CARRIED

The President advised the Board that the 2013-2014 Business Plan moves Algonquin closer to the objectives set in the 2012-2017 Strategic Plan and he is confident that the 2013-2014 budget will ensure that we are not only good stewards of public funds, but will also give the College the leverage to move forward on these initiatives. The President recognized the Board's input at the October Retreat. The Retreat provided the platform for the development of the 2013-2014 Business Plan. He acknowledged the efforts of staff over the past several months in order to finalize the draft Plan and thanked everyone on behalf of Senior Management for their support.

12-64 REPORT OF THE CHAIR

The Chair reported the following:

- Congratulated Mark Sutcliffe who was appointed Chair of the Ottawa Chamber of Commerce effective January 22nd. Governor Sutcliffe succeeds Dave Donaldson, Dean,

School of Business who was recently presented with the Queen's Diamond Jubilee Medal for his significant contributions to the Chamber and the City of Ottawa.

- Barbara Farber will be presented with the Queen's Jubilee Medal by Pierre Poilievre, MP, Ottawa riding of Nepean-Carleton on March 11th. Barbara and Len Farber have extended an invitation for all Governors to join her and her family in the Restaurant International for this special event immediately following the March 11th Board meeting.
- Copies of the Bachelor of the Bachelor of Applied Arts (Interior Design) Renewal of Ministerial Consent documents – Program Evaluation Committee Report and Action Plan that were provided to the Ministry of Training, Colleges and Universities, are on the table and have been provided for information. This is a requirement of the renewal process for the delivery of Bachelor Degrees. Additional information on this topic is included on page 14 of the Management Summary report.
- Copies of the remittance declaration from the financial officers of the College are on the table confirming that as of December 31, 2012, all applicable income tax source deductions and remittances have been submitted in accordance with CRA and Ministry of Revenue requirements.
- A letter was received from Beckwith Township requesting the Board revisit the decision of not continuing to assist with a re-pointing project at Prospect Church. The request has been sent to the Academic Department for review and reply.
- There were five meeting evaluation forms submitted following our last meeting, all of which were positive. The only suggested area for improvement was that cell phones should be turned off. As highlighted at our last meeting, again a positive comment was made regarding the attendance of the faculty and staff who were present to address inquiries and provide additional information/support.
- Feedback was requested whether or not Governors wish to continue with the 4 p.m. start time. S. Dimarco will provide confirmation based on response.
- Governors were also asked to provide feedback on the cancellation of the January Board meeting.
- Governors were asked to make note in their calendars that the May 13th meeting will be held in Pembroke and will include a tour prior to the meeting. A bus will be reserved leaving the Woodroffe Campus at 1:30 p.m. and returning from Pembroke at 7 p.m. Governor Blackstein invited everyone to tour the new Pembroke Campus and thanked the Board for their support over the past few years. The President added that he visited the Pembroke Campus last week and was happy to report that the City of Pembroke is building the renaissance square as was hoped. Governor Blackstein shared the quote "The College will be great for the Community and the Community great for the College".

12-65 REPORT OF THE PRESIDENT

The President reported the following:

- The President welcomed Suzannah DiMarco to the Board Office from the Queensway-Carleton Hospital.

- Applied Research Day is scheduled for April 12 hosted by M. Hoddenbagh, Director of Applied Research and Innovation. This event will highlight Applied Research being done by the College as we showcase our internationally recognized research projects through displays and demonstrations. M. Hoddenbagh confirmed that currently over 80 projects are being showcased. The President invited all Governors to attend.
- In terms of staff, faculty and student engagement, one event currently in progress is the “Spread the Net”, a challenge that aims at getting academic institutions involved in fundraising for bed nets that will help families in Africa prevent the spread of malaria and save thousands of people overseas. Professor Lisa Roots initiated the challenge and since that moment staff, student, faculty and administrators have all offered their support. The target was to raise \$15K. Algonquin is currently on target and the challenge continues until the end of February. If Algonquin wins, Rick Mercer will complete his Rick Mercer Report on campus.
- Reputation of any postsecondary institution is correlated with the demand for the institution. D. McNair reported that Algonquin has exceeded the enrolment projections and achieved 6% enrolment growth. K. Moore, Registrar, works closely with the Deans and Chairs to review years of past data on the offers to acceptance ratios. This year the fact that many of our programs exceeded the offer ratio indicates that more people have a desire to come to Algonquin. Algonquin exceeded enrolment by 497 students, of these 132 were level 1 students; more importantly the College has focused on retaining our students and figures indicate returning students exceeded by 365 students at the end of December.
- For almost a decade the Canadian College system has been holding a National Business Case Competition (BDC case challenge). Algonquin has good history at this competition winning 2 silvers and 2 bronzes in the past. Business – Management and Entrepreneurship students Tara Sisson, Jenna Marie Collins and Andrew Thomson won gold at the 2013 Vanier College BDC Case Challenge on February 10th, the students were supported by professors, Cheryl Dowell, Bill Garbarino and Ian Anderson. The President asked D. Donaldson to convey the Board’s appreciation.

12-66 MANAGEMENT SUMMARY REPORT

The Management Summary report for February, 2013 was received and is available online at www3.algonquincollege.com/bog/.

Questions/Comments:

- *Governor McBride: What initiatives were included for the Microsoft Windows 8 training (page 5) completed in December 2012?* Angela Clermont, Acting Director, Information, Institutional Research and Technology Services (IIRTS) responded that there is a small revision, training will be offered, but IIRTS will improve the technical capabilities first. Training will be internal within IIRTS prior to expanding College-wide.
- D. McNair formally introduced Angela Clermont, Acting Director, IIRTS.
- Governor Blackstein asked Governors to refer to the Faculty/Staff Activities heading (page 15) and pointed out that Dr. Holly Fraser joined Student Services staff at the Pembroke

Campus in late November 2012, he pointed out that the Pembroke Campus now has a physician on site.

12-67 OTHER BUSINESS

None.

There being no further business, the Board adjourned at 5:36 p.m.

RESOLUTION

MOVED & SECONDED – Owens and Kasyanenko

That the Board of Governors adjourn.

CARRIED

James McIntosh, Chair

Miranda Wilson, Recording Secretary