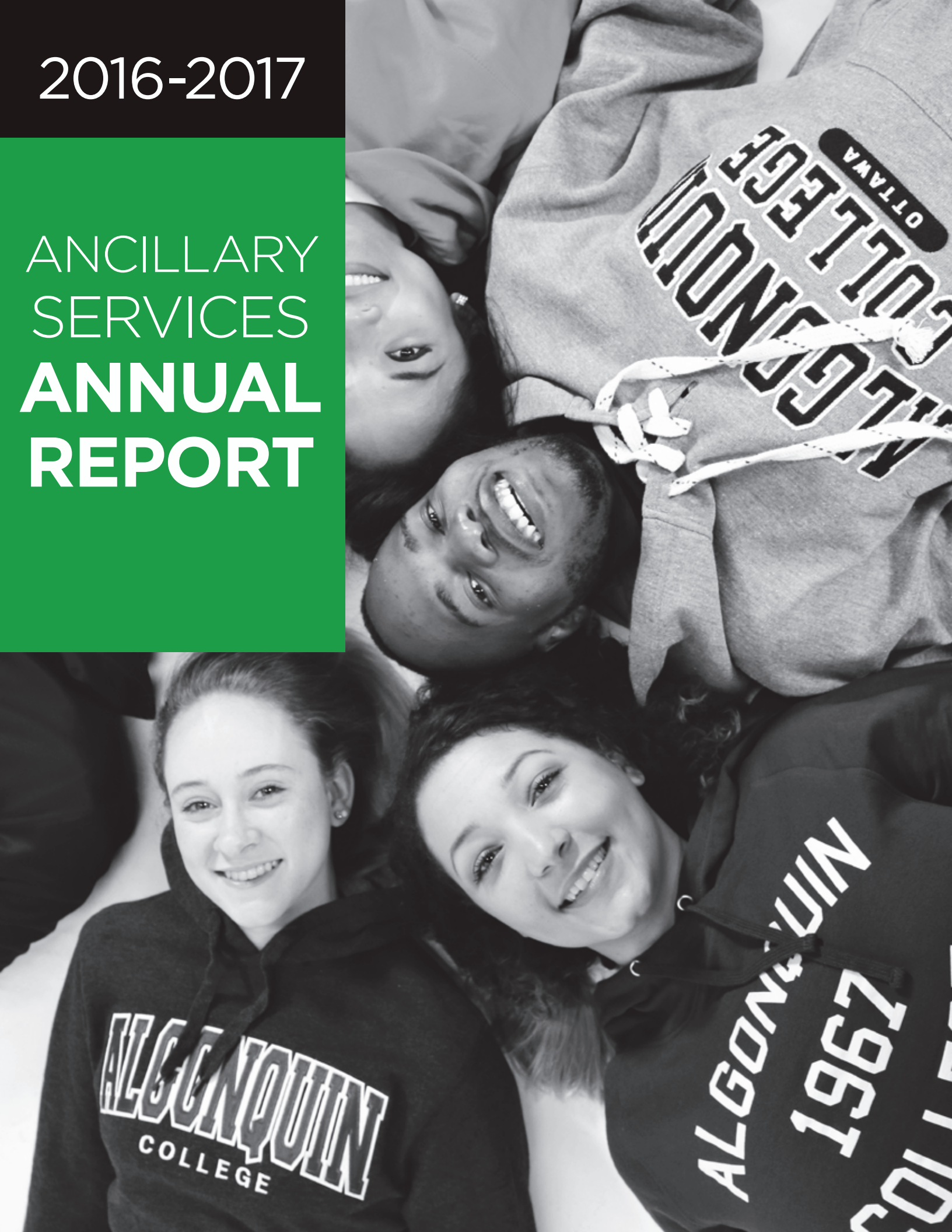


2016-2017

ANCILLARY
SERVICES
**ANNUAL
REPORT**



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Message from the Director, Brent Brownlee

It's been another great year, focused on student success and enhancing the AC experience.

Ancillary Services continues to align with the direction set out in the Ancillary Services 2014-2019 Strategic Plan, by keeping a keen focus on the pillars of our balanced scorecard.

We have worked to achieve our goals by keeping students at the forefront and evolving to meet their needs.

We will continue to:

- Adapt to the expectations of our students and partners
- Leverage technology to deliver services in new, convenient and interactive ways
- Support our employees with an empowering, inclusive environment
- Build the Algonquin College brand and nurture a healthy, sustainable lifestyle
- Strive for growth across all of our business units

In 2017-2018, we will embark on a refresh of our strategic plan to ensure we are meeting



the needs of our College community and we look forward to engaging you all in this process.

Thank you to all Ancillary Services employees for your hard work and dedication this year and thank you to the Algonquin College community. Through your support, Ancillary Services contributed \$8 million to the College this past fiscal year.

Our vision is to be a trusted partner with focused services that deliver a vibrant college experience

Annual Financial Overview

Ancillary Services experienced positive financial results for the 2016-2017 fiscal year, exceeding both budgeted targets and prior year results.

Contributing largely to Ancillary Services overall success, Food Services year-over-year net contribution increased by 46.6%, which can be attributed to new food offerings that appealed to our target markets, growth of internal and external relationships and a vigilant focus on cost management. Despite volatile food costs, Food Services still achieved cost savings.

Parking Services achieved a \$145,000 year-over-year increase in net contribution, despite challenging winter weather conditions. This was a result of an increase in parking permit sales and locker rentals.

Our Residence operation's focus on maximizing summer hotel alternative opportunities resulted in a 16% increase or \$1.67 million in revenue. The Residence did not achieve full occupancy for the academic year.

Duplicate costs associated with the transition to a new print fleet, coupled with a downward trend in the print industry had a significant impact on Print Services inability to attain their budget results.

While our Retail Services department was on course to meet its financial targets, a decision was made to review and write off obsolete inventory resulting in not achieving the budget. Strategic Investment Priority funds of \$291,000 were invested in the ongoing development and delivery of an eText solution to our academic partners and students.

An additional \$1.8 million of Strategic Investment Priority (SIP) funds were used to refresh Residence furniture and flooring, update Residence emergency lighting systems, and to consolidate the Print Shop and Connections: The Campus Store to provide an enhanced student experience while benefiting from infrastructure symmetries. The SIP funds were also used to update digital screen content and study the future needs in student housing.

In 2013, Ancillary Services set out to improve our results by 100% over a five year period. At this point in time, we are proud to say we have achieved a 57% improvement. Through the support of our students and College community, Ancillary Services contributed \$8 million to Algonquin College this past fiscal year.

CAS Financial Overview *	2015/16 Actual	2016/17 Actual	FY17 to FY16 % Change
Revenues	\$ 41,734	\$ 41,816	0.2%
Salary	7,531	7,846	4.2%
Operations	23,591	22,251	-5.7%
Contribution to college overhead	1,408	1,390	-1.3%
Interest on debt	2,448	2,278	-6.9%
Subtotal	\$ 6,756	\$ 8,051	19.2%
Reserve Fund contribution	1,062	1,062	0.0%
Principal Portion of Debt	1,939	2,066	6.5%
Net Contribution	\$ 3,755	\$ 4,923	31.1%

* (dollars in thousands)

PAGES PRINTED
12.4M

RES SUMMER BUSINESS
+16%

FOOD SERVICES TRANSACTIONS
1.6M

SOCIAL MEDIA FANS
+62%

E-RESOURCES DEPLOYED
55,000

ONLINE PARKING PURCHASE
+39%

CUSTOM PROGRAM HOODIES
+38%

CONNECTIONS VISITS
250,000+

Ancillary Services' primary focus is to provide products and services that support student success and enhance campus life. Our Balanced Scorecard framework guides all our decision making, planning and business development.

These four pillars keep us on track.

We seek to tailor our services to engage students and deliver a vibrant College experience. We work to empower our team through targeted professional development and employee engagement. We look for innovative opportunities to enhance service delivery. We support the College's long-term financial sustainability.

Balanced Scorecard

STUDENT EXPERIENCE

- We will embrace a student focused culture while ensuring that our services are relevant and adaptive.

EMPLOYEE GROWTH AND LEARNING

- We will provide resources and opportunity to cultivate employee development and recognize successes.

INNOVATION

- We will adapt and align our organizational structure to pursue innovation and experiential learning opportunities that leverage our resources.

FINANCIAL SUCCESS

- We will deliver focused services that significantly contribute to the College's long term sustainability and exceed industry relevant benchmarks.



Our Services

Food Services

AC Food and Conference Services manages seven dining facilities, plus a robust Catering and Conference Services business.

Retail Services

Connections: The Campus Store is a one-stop shop for course materials, branded products, school supplies, eText assistance & more.

Residence Services

The AC Residence is managed by Campus Living Centres, and provides a home away from home to over 1000 students each year.

Print Services

The Print Shop manages on-campus printing at their retail location, as well as manages the multi-function printer fleet on campus.

Parking Services

Parking Services assists the community with their parking and transportation needs, along with Locker and Card Services.

Marketing

The marketing team supports Ancillary businesses to enhance the AC experience and offers on-campus marketing to external customers.

Food and Conference Services



1.6 million Food Services transactions

Student experience, high quality, healthy food options and satisfaction are our top priorities. A focus on these led to a variety of food features across campus this year. These food features resulted in increased customer satisfaction. Leveraging digital signage on campus allowed us to increase communication on campus and modernize menu boards. Improved internal and external relationships had an impact on financial success, student experience and customer satisfaction.

Despite the impact of volatile markets on food cost, the Food Services team still managed to decrease its food costs by 1.3%.



Highlights

- 46.6% increase in net contribution over 2016
- Average purchase increased 1.1%
- Increased variety of grab and go food options
- Updated Staff Dining Room
- Hosted 25 feature dinner nights in Residence
- 5,232 AC Day 1 coupons redeemed
- 6,850 Roll Up the Rims redeemed at Tim Hortons
- Overall Net Promoter Score increased to 34

Food Services Financial Overview *	2015/16 Actual	2016/17 Actual	FY17 to FY16 % Change
Revenue	\$ 10,028	\$ 10,137	1.1%
Salary	3,919	4,095	4.5%
Operations	4,871	4,607	-5.4%
Contribution to college overhead	699	724	3.7%
Interest on debt	27	26	-3.0%
Subtotal	\$ 513	\$ 685	33.6%
Reserve Fund contribution	126	126	0.0%
Principal Portion of Debt	18	19	4.1%
Net Contribution	\$ 368	\$ 540	46.6%

* (dollars in thousands)

Parking Services

Online parking transactions increased 39%



Parking, Lockers and Card Services increased its visibility on campus with the move to one of the campus hubs, the Student Commons building, in December 2016. Coupled with initiatives focused on student experience such as complimentary daily parking upgrades to surprise and delight students, Parking exceeded their budget target while increasing customer satisfaction. A focus on digital delivery of services resulted in increased online parking transactions and decreased wait times.

Card Services piloted the first U-Pass Smart Card on any Ottawa campus, setting the stage for a full roll out of the smart card for Spring 2017.

Highlights

- All services moved to E Building
- 700+ one day parking upgrades distributed
- **4.7%** increase in net contribution over 2016
- 20,641 U-Pass cards & 17,177 AC Cards issued
- 8% increase in parking permits sold
- 39% increase in online parking transactions
- 6% increase in lockers rented
- Overall Net Promoter Score of 31



	2015/16	2016/17	FY17 to FY16
Parking Services Financial Overview *	Actual	Actual	% Change
Revenue	\$ 4,669	\$ 4,753	1.8%
Salary	669	655	-2.2%
Operations	399	374	-6.3%
Contribution to college overhead	331	308	-6.8%
Interest on debt	-	-	
Subtotal	\$ 3,270	\$ 3,415	4.4%
Reserve Fund contribution	200	200	0.0%
Principal Portion of Debt	-	-	
Net Contribution	\$ 3,070	\$ 3,215	4.7%

* (dollars in thousands)

Print Services



8,500+ online employee orders

It was a busy year for the Print Services team. The two Print Shop locations merged into one, integrating into Connections for an enhanced one-stop shop for the AC community. Strategic Priority funds facilitated the integration of these locations. The Print Shop Online continued to evolve, offering more online ordering options for Algonquin College departments.

The first phase of the Print Strategy was implemented, with the roll out of Find Me Print to Algonquin College employees. Not without its challenges, the transition of the College printer fleet resulted in a duplication of expenses for a portion of the fiscal year, leading to higher costs than budgeted.



Highlights

- Over 2 million pages printed at The Print Shop
- The Print Shop now offers envelope printing
- Student Business cards were featured, supporting student success
- Find Me Print launched, in partnership with Konica Minolta with employees being able to print anywhere on campus, from any device
- The print fleet now includes 172 Konica Minolta printers and 21 Lexmark printers
- 10.4 million impressions from the printer fleet
- 105 legacy printers were added to the fleet

Print Services Financial Overview *	2015/16 Actual	2016/17 Actual	FY17 to FY16 % Change
Revenue	\$ 1,785	\$ 1,746	-2.2%
Salary	739	792	7.1%
Operations	620	722	16.5%
Contribution to college overhead	87	55	-36.7%
Interest on debt	7	7	0.0%
Subtotal	\$ 331	\$ 170	-48.8%
Reserve Fund contribution	25	25	0.0%
Principal Portion of Debt	5	5	4.0%
Net Contribution	\$ 301	\$ 140	-53.7%

* (dollars in thousands)

Residence Services

16% increase in summer revenues



Residence facility improvements in 2016 included new furniture and carpet in one third of Residence rooms, new lobby lighting and a new Fitness Centre. The focus on maximizing hotel alternative opportunities during the summer resulted in a 16% annual increase in summer business, which also marked a doubling of summer revenue since summer 2013.

A vast array of student programming included time management and study skills workshops, partnership with the AC Umbrella Project on harm reduction, Mental Illness Awareness Week, Healthy Relationships and Consent, and lots of fun activities including skiing trips, outdoor yoga, Fall and Winter orientation activities.



Highlights

- Applicant conversion rate increased from 79% to 83%
- 4% increase in net contribution over 2016
- Brittanie Walker-Reid, Residence Life Manager, won the Mentor of the Year Award from the Ontario Association of College & University Housing Officers
- New furniture and carpet in 340 rooms
- New lobby lighting & emergency lighting updated to LED

Residence Financial Overview *	2015/16	2016/17	FY17 to FY16
	Actual	Actual	% Change
Revenue	\$ 9,430	\$ 9,466	0.4%
Operations	4,975	5,020	0.9%
Interest on debt	2,307	2,167	-6.1%
Subtotal	\$ 2,147	\$ 2,279	6.1%
Reserve Fund contribution	500	500	0.0%
Principal Portion of Debt	1,843	1,966	6.7%
Net Contribution	\$ (195)	\$ (187)	4.0%

* (dollars in thousands)

Retail Services



Branded clothing sales increased by 14.5%

Connections: The Campus Store renovated in 2016 to integrate two separate print locations, as well as Coin Operations into the existing store footprint. This enhanced Connections as a one-stop shop for the College community. Further, eText was integrated into the Course Materials team, enhancing our Retail Team's ability to support the Course Materials experience for students.

A continued focus on the AC Brand led to many successes - a 14.5% increase in branded clothing sales, a refresh of the Custom Hoodie program and an expanded presence at Convocation, resulting in a 55% increase in related sales.

Lean thinking was applied to Retail Services this year, leading to many process improvements and a migration to more metric based decision making. An unplanned write-off of obsolete inventory resulted in a year over year contribution decrease.

Highlights

- Average purchase up 2.8%
- 55,000 resources deployed to 15,000+ students
- Lean Process improvements
- eTexts available 3 weeks ahead of Winter Term Day 1
- Convocation Sales increased 55%
- Net Promoter Score achieved goal of 40



	2015/16	2016/17	FY17 to FY16
Retail Services Financial Overview *	Actual	Actual	% Change
Revenue	\$ 15,708	\$ 15,474	-1.5%
Salary	1,677	1,827	8.9%
Operations	12,540	12,347	-1.5%
Contribution to college overhead	291	302	3.7%
Interest on debt	107	78	-27.2%
Subtotal	\$ 1,093	\$ 919	-15.9%
Reserve Fund contribution	211	211	0.0%
Principal Portion of Debt	74	57	-22.0%
Net Contribution	\$ 808	\$ 651	-19.4%

* (dollars in thousands)

Marketing & Communications

62% increase in social media followers



The Ancillary Marketing team manages the marketing and communications strategy for Ancillary Services, leveraging College partnerships, social media and digital channels to interact with our target markets. The marketing team also oversees the Ancillary customer feedback program, which includes 18 survey kiosks on campus, online surveys, and a secret shopper program.

In support of improved internal communications and employee engagement, the marketing team produced three internal newsletters, communicated Ancillary's internal recognition program and coordinated quarterly departmental coffee breaks.

Ancillary Marketing plays a key role in business planning and works collaboratively with all Ancillary business units to achieve their goals.

In 2016-2017

Campus Events

17

events participated in,
supporting the student AC
experience

Digital Transactions



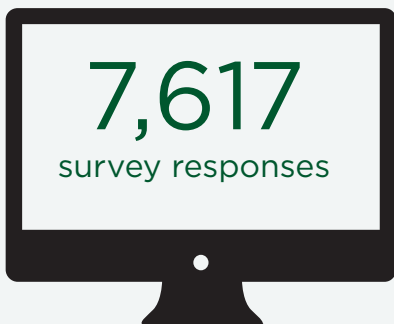
+1.7%

Website Traffic

334,000

Website visits

Customer Feedback



7,617

survey responses

Social Media

22,000

Engagements with AC students,
employees, and community

Digital Screens

102 digital screens were brought onto a single network. 16 reside in Ancillary Services, including a stunning video wall in B Building. Convocation was live streamed on campus for the first time!

Our People

With more than 200 full and part-time employees, Ancillary Services supplies the AC community with Print, Food, Retail, Parking and Residence services that generate significant contribution for the college.



65%

Employee engagement score
7% increase from 2015



102

Students employed by
Ancillary Services departments

The Four Pillars of Success Recognition Program

In support of Ancillary Services' goal to celebrate our successes and acknowledge employee contributions, the Four Pillars of Success program was created to provide an easy, interactive and memorable way to recognize Ancillary employees, for their commitment to the four pillars of the balanced scorecard - student experience, innovation, employee growth and learning, and financial success.

In 2016-2017, 62 Ancillary Services employees were recognized through the Four Pillars of Success program.

Team

Meet some of the Ancillary Services Team

Kurt Goebel Retail Services

As the Manager, Campus Store Operations, Kurt oversees the day to day operation of Connections. Kurt has been an Algonquin College employee for 20 years.



Mary Lou Dompierre Food Services

An Algonquin College Food Services employee for over 13 years, Mary Lou works at the 35th Street Market Cafe at Residence, offering a kind and familiar face to our students far from home.



Fabian Bron Parking Services

Fabian has been an Algonquin College employee for 14 years, first working in the Purchasing department before joining the Parking Services team. This year, Fabian became the Ontario Campus Parking Association's Director of Benchmarking.



Nancy Feres Print Services

An AC employee for over 5 years, Nancy is the friendly face helping Algonquin employees with their printing needs. In 2016, Nancy was the recipient of the Deborah Rowan-Legg Service of Excellence Award.



Sunny Adan Residence Services

An employee of Campus Living Centres, Sunny Adan is the Housing Administrator for the Algonquin College Residence. Sunny takes care of many of the day to day administrative tasks and is a 'sunny,' happy face for all the students living in Residence.



Ancillary Supports Student Success

TV Broadcasting students filmed a video showcasing the innovative print partnership between Konica Minolta and Algonquin College.

Accounting students learned about end-to-end cash handling procedures at The Campus Store.

Marketing Research students from the School of Business did observational research at the Marketplace Food Court and the Portable Feast.

The Algonquin Residence provided many learning opportunities - 8 Child Youth Care Worker students, 2 Business Administration students, 1 Public Relations student placement and 1 hospitality co-op student.

Executive Chef Russell Weir was involved in the Coaching for Culinary students competition. Four culinary students accompanied Chef Weir to an evening with Lynn Crawford at the Agricultural and Food Museum.

Ancillary Services seeks to support student success through experiential learning opportunities within our services.



'Ancillary Gives' Back!



700

one-day parking permit upgrades given out in 2016-2017



5,232

AC Day 1 coupons redeemed at Food Services



100+

Student and College Initiatives supported by Ancillary Services in 2016-2017

Ancillary Services business units are pleased to partner with Algonquin College student and staff initiatives in the form of sponsorship.

This is called our **Ancillary Gives** program. In 2016-2017, Ancillary Services supported more than 100 student, College and community initiatives.

These included:

- STEM Camp
- AC Event Management events to support the Children's Wish Foundation
- Annual Birdies for Bursaries Golf Tournament
- AC United Way Campaign
- AC International Women's Dinner
- The Purple Ribbon Campaign
- Stars of The City
- AC Kaleidoscope

Ancillary Services Strategic Plan 2014-2019 Baseline Metrics

2014-2019 Strategic Direction	2012/2013 Baseline	2013/2014 Actual	2014/2015 Actual	2015/2016 Actual	2016/2017 Actual	2017/2018 Target	2018/2019 Target
Employee Engagement							
Ancillary	31%	31%	57%	NA	65%	60%	60%
Professional Development (events attended)							
Ancillary	56	56	190	229	130	240	250
Strategic Investment (% of revenues)							
Ancillary	2.0%	0.8%	3.4%	3.3%	5.1%	1.5%	3.3%
New Initiatives Contribution							
Ancillary	1.0%	0.8%	0.5%	0.2%	0.7%	1.0%	1.0%
Customer Satisfaction							
Retail	62%	65%	62%	63%	60%	65%	66%
Food	65%	68%	68%	69%	64%	71%	72%
Residence	54%	54%	60%	68%	89%	85%	85%
Net Promoter Score							
Retail	N/A	8	36	38	40	42	44
Print	N/A	15	55	56	52	61	63
Parking	N/A	-29	17	39	31	32	25
Food	N/A	10	29	31	34	35	37
Residence	N/A	N/A	N/A	14	-2	11	5
Average Sale							
Retail/Print	\$ 24.30	\$ 24.30	\$ 20.11	\$ 21.64	\$ 23.91	\$ 26.79	\$ 28.13
Food	\$ 4.99	\$ 4.99	\$ 5.05	\$ 5.26	\$ 5.42	\$ 5.84	\$ 6.14
Net Contribution (in \$000)							
Retail	\$ 983	\$ 575	\$ 621	\$ 808	\$ 651	\$ 886	\$ 817
Print	\$ 380	\$ 254	\$ 275	\$ 301	\$ 140	\$ 291	\$ 304
Parking	\$ 2,556	\$ 2,676	\$ 2,994	\$ 3,070	\$ 3,215	\$ 3,242	\$ 3,316
Food	\$ (148)	\$ 268	\$ 575	\$ 368	\$ 540	\$ 719	\$ 846
Residence	\$ (141)	\$ (988)	\$ (86)	\$ 80	\$ (187)	\$ 250	\$ 509



We will shape our future in partnership with you — to focus our services and enhance student experiences across Algonquin College

-Brent Brownlee

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Algonquin College Lifestyle



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