

Open Meeting File 2010-06-17, approved September 16, 2010

IN ATTENDANCE

Board Members

Graeme Bowbrick*
Bruce Clarke
David Guedes
Mary Hemmingsen, Vice Chair
Michael Hwang
Peter Kendrick, Vice Chair
Scott McAlpine, President (ex-officio)
Elizabeth McCausland, A/Education
Council Chair (ex-officio)
Mike Russell*
Sydney Tomchenko
Paul Wates, Chair

Administration

Kathy Denton, Vice President, Education
Shelagh Donnelly, Executive Assistant to the College Board; recording
Marian Exmann, Associate Vice President, Employee Relations
Blaine Jensen, Vice President, Educational Services
Karen Maynes, Vice President, Finance and Administration
Guangwei Ouyang, Associate Vice President, International Education
Hazel Postma, Associate Vice President, External Relations
Chris Worsley, Director, Finance

Observers

Mark Ferley, BCGEU
Jerin Mece, DSU
Peter Wilkins, DCFA

REGRETS

Board Members

Caroline Jellinck
Mike Regan

Administration

Dave Taylor, Director, Marketing and Communications Office

Observers

* Late arrival

1. CALL TO ORDER AND CHAIR'S REMARKS

There being a quorum, Chair Paul Wates called the meeting to order at 5:16 p.m. The Chair conveyed regrets from those unable to attend the meeting, and welcomed new Board member and Douglas College alumnus Jim Utley as well as new Douglas Students' Union (DSU) Constituency Group Leader Jerin Mece.

2. APPROVAL OF AGENDA/CONSENT AGENDA

It was moved by Peter Kendrick, seconded by Sydney Tomchenko and unanimously resolved:

14/2010 *THAT the Board approve the agenda and approve/acknowledge the following items on the consent agenda.*

- 2.1 Minutes of the May 20, 2010 Open Session Board Meeting – approved
- 2.2 Report: BC Government Employees' Union (BCGEU) – acknowledged
- 2.3 Report: Acting Chair, Education Council – acknowledged
- 2.4 Report: President – acknowledged
- 2.5 Report: Correspondence, Media and Events – acknowledged

3. WELCOME TO NEW BOARD MEMBER: JAMES (JIM) UTLEY

3.1 Oath of Office

Newly appointed Board member and Douglas College alumnus Jim Utley took the Oath of Office, offered a brief self-introduction and conveyed his interest in contributing to this Board.

4. FOR REVIEW/APPROVAL

**4.1 Credential Establishment:
Post Baccalaureate Diploma Program in Psychosocial Rehabilitation**

It was moved by Michael Hwang, seconded by Peter Kendrick and unanimously resolved:

15/2010 *THAT the College Board approve the establishment of the credential, Post Baccalaureate Diploma Program in Psychosocial Rehabilitation*

4.2 Recommendation on 2009/2010 Audited FTE Enrolment Report

- a) Audited 2009/2010 FTE Enrolment Report
- b) FTE Enrolment Report Highlight Memo

Audit and Finance Committee Chair Peter Kendrick reported that a representative of the Auditor General of British Columbia (AGBC) stated that this year’s audit at Douglas College had marked the first time, in his recollection, that there had not been three or four audit recommendations arising from a post-secondary institution’s audit. Peter Kendrick offered congratulations and thanks to Karen Maynes, Chris Worsley and their team for work well done, and noted the exhaustive process involved in such an audit. Karen Maynes reviewed historical enrolment trends and provided a detailed review of Full Time Equivalent (FTE) student counts for 2009 and 2010.

Domestic Student FTEs	2010	2009
Business	1,057	1,008
Health & Human Service	1,511	1,464
Performing Arts	170	160
University Transfer	2,445	2,311
Developmental	730	700
Other programs	525	489
Continuing Education	534	489
The Training Group	711	533
Total	7,683	7,154
Achievement as a Percentage of Capacity	91.9%	87.9%

International Student FTEs	2010	2009
Studying in China, with Douglas College instructors	199	194
Studying at David Lam and New Westminster Campuses	605	514

International FTE counts are significant, but are not included in the Ministry of Advanced Education and Labour Market Development’s (ALMD’s) FTE targets for the College. The Douglas College students studying in China reflect partnerships with Heilongjiang Institute of Science and Technology (HIST), located in Harbin, and with the Shanghai Institute of Foreign Trade (SIFT). International students pay full costs, including capital costs, and the Ministry of Advanced Education and Labour Market Development (ALMD) periodically audits such numbers.

In 2010, 32% of domestic Douglas College registrations were for courses offered at the David Lam Campus, and 68% were for courses offered at the New Westminster Campus. Karen Maynes responded to Board members’ questions regarding areas of decline and plans to address such declines, relationships between enrolment counts and periods of economic prosperity and/ or challenge, and the College’s partnerships.

It was moved by Peter Kendrick, seconded by Bruce Clarke and unanimously resolved:

16/2010 *THAT the College Board approve the 2009/10 FTE Enrolment Report*

4. FOR REVIEW/APPROVAL, cont'd
4.3 Recommendation on 2009/2010 Audited Financial Statements
 a) Audited Financial Statements
 b) Financial Statements Highlight Memo

Karen Maynes reviewed the College’s financial statements, which are based on fund accounting principles. The College uses funds to allocate revenues/grants that are restricted as to purpose, consistent with conventions for government accounting. Each of the four funds – Operating, Capital, Ancillary and Special Purposes – is a separate entity, with its own self-balancing accounts. Karen Maynes reviewed revenue sources and areas of expenditure; 72% of Operating Fund expenses are directed to instruction, 8% to student support, 7% to learning resources and publicity, another 7% to business functions, and 6% to Facilities. The College strives to maintain an overall ratio of 70% to instruction - 30% to services.

Operating Fund	
Revenue	\$93,775,208
Expenditures	<u>89,581,634</u>
2009/10 Surplus	\$ 4,193,574
Fund balance, beginning of year	3,466,989
Transfer to Capital Fund	<u>(5,281,563)</u> Transfer of remaining 2009/10 surplus, as determined by the Board
Fund balance, end of year ¹	<u>\$2,379,000</u> ¹ =2.5% of the 2010/11 Operating Budget, as required per Board Surplus Policy

The Operating Fund surplus was attained through higher than anticipated domestic and international enrolments, and \$2 million in unallocated funds pending approval of the new Strategic Plan. Board members queried, and were assured, that the transfer of the remaining 2009/10 surplus at the end of the fiscal period was not only allowable, but encouraged. The Board considered (ALMD) Ministry grants and contributions as percentages of total College revenues, which represented 71% of total revenues in 2002, and 60% of total revenues in 2010. While the Ministry grant was increased by 7% in the previous year, the increase was associated with performance expectations; other increases in 2007 and 2008 reflected Ministry contributions associated with collective agreement negotiations.

Revenues from contract training have increased, however, and the College has become increasingly reliant on contract and Continuing Education and International Education revenues. Such reliance was considered in comparison to peer colleges and in terms of exposure. Karen Maynes advised that data from all institutions was being collected, and she anticipated providing a report to the Board in Fall 2010.

Ancillary Fund		
Revenues (Net)	2010	2009
Bookstore	\$480,492	\$393,390
Parking	143,393	202,795
Cafeteria	217,869	165,361
Vision Centre	46,169	41,153
Recoveries, etc.	20,832	23,860
Opening Balance	22,553	40,805
Total	<u>\$931,308</u>	<u>\$867,364</u>

The decline in parking revenues was questioned; this reflected the break for the 2010 Winter Olympics and a conscious decision to refrain from raising rates despite a new 14% tax on parking services effective January 2010. The College, which planned to increase its parking rates in September 2010, could increase its ancillary revenues, but to do so would adversely impact its students. The significant increase in cafeteria revenues reflected a new contract negotiated for this service. Karen Maynes reviewed ancillary appropriations of funds to be spent in the following year, and responded to queries. Funding for the First Nations Gathering Place would be drawn from Capital funding.

4. **FOR REVIEW/APPROVAL**, cont'd
 4.3 **Recommendation on 2009/2010 Audited Financial Statements**, cont'd
 a) Audited Financial Statements
 b) Financial Statements Highlight Memo

Capital Fund	
Revenues	\$10,159,912
Disbursements	<u>10,747,256</u>
Difference	(587,344)
Opening balance	16,972,683
Transfer from Operating Fund	<u>5,281,563</u>
Capital balance at end of year	<u>\$21,666,902</u>

The Capital Fund covers the purchases of land, facilities, furniture and equipment. This fund incurs variations from year to year, based on capital activities. As of March 31, 2010, capital expansion reserves are up to \$14,274,765. Questions were again invited, and Board members considered how cash is invested. The College has, for a number of years, requested access to a provincial investment source, and a report by the Office of the Auditor General of BC (AGBC) on such potential was anticipated. In the absence of the benefit of such enhanced investment capabilities, the College currently invests its cash in GICs and continues to explore options with its banker.

Special Purposes Fund	
Receipts	\$5,348,127
Disbursements	<u>4,417,782</u>
Difference	930,345
Opening fund balance	<u>5,058,735</u>
Ending fund balance	<u>\$5,989,080</u>

Karen Maynes invited and responded to further questions on the four funds, including consideration of whether an increase to College parking fees would reflect market rates and whether such an increase might cause people to overload other parking facilities. Karen Maynes noted that the College's intent was to make \$900,000 - \$1,000,000 in ancillary funds, in order to pay for appropriations, and that the College, rather than endeavouring to compete with market parking rates, sought to keep parking fees for students as low as possible.

While there was recognition that risk tolerance levels would vary by institution, it was suggested that BC Colleges (BCC) might be an appropriate body to take up the case for accessing resources that could improve returns on cash investments.

It was moved by Peter Kendrick, seconded by Bruce Clarke and unanimously resolved:

17/2010 *THAT the College Board* approve the 2009/10 audited Douglas College Financial Statements

- c) Auditor General of BC (AGBC) Management Letter

Peter Kendrick reported that the single recommendation contained in the management letter issued by the AGBC was, in the view of all Audit and Finance Committee members, a minor recommendation. The Board Chair advised that he had attended the June 2010 Audit and Finance Committee's meeting with the AGBC's representative, who had pointed out that their audit of Douglas College was the cleanest first-year audit they had yet to complete. The Board Chair noted that this reflected on the quality and expertise of the College's Financial team, and commended these employees.

4. **FOR REVIEW/APPROVAL, cont'd**
- 4.4 **Enrolment Update**
 - a) FTE/Financial Reporting: Summer 2010 Semester

Peter Kendrick noted the increased enrolments in International Education, adding that other enrolments were aligned with projections and that the College continued to project a \$2.8 million surplus for the fiscal period ending March 31, 2010. Fall 2010 enrolment levels were as yet unknown but projected to be positive.

4.5 **Education Council: Advice on 2010 – 2015 Strategic Plan**

Acting Education Council Chair Liz McCausland expanded on her memo offering Education Council's advice on the final draft of the 2010 – 2015 Strategic Plan. She reflected on the number of comments reflecting employees' views that their comments were being heard, and that people were positive about the direction and the Plan itself. She noted that such responsiveness to peoples' views had entailed a great deal of work, and relayed gratitude to those who had undertaken work on the Strategic Plan.

4.6 **Douglas College 2010 – 2015 Strategic Plan**

The President distributed galley proofs of the Strategic Plan and reviewed key elements. In inviting questions and comments, he thanked members of the Senior Management Team (SMT) for their responses to the many calls for input, and noted the collaborative effort and input from a variety of stakeholders.

Board members commended all involved on a great document, and raised matters for consideration. Budget requirements and prioritization of spending would be examined within academic and tactical plans to be reviewed by the Senior Management Team in Summer 2010 before being brought forward to the Board. It was anticipated that some of the associated budget allocations might be brought forward in the current fiscal year. Demographic projections, the need for solid data and the ability to help ensure employers could replace retiring baby boomers were raised; the President referenced a mandate for all programs to have external advisory councils to encompass both private and public sector employers. Board members encouraged inclusion of photos of mature or "second age" learners within the publication, to better reflect both demographics and the College's intent.

The Chair reflected on the significant efforts put forth in development of the 2010 – 2015 Strategic Plan, and concurred with Elizabeth McCausland's remarks. In acknowledging these commendations, the President acknowledged both the team effort of everyone involved and the Board's foresight in setting aside resources to enable the College to implement the Plan.

It was moved by Mike Russell, seconded by Peter Kendrick and unanimously resolved:

18/2010 *THAT the College Board approve Pathways to Success, Douglas College Strategic Plan, 2010 – 2015*

The Chair recommended, and Board members agreed, that the Strategic Plan would be placed as a standing item on all Board meeting agendas so that the Board would be kept apprised of developments.

5. **OTHER REPORTS**
- 5.1 **Report: Audit and Finance Committee**

Committee Chair Peter Kendrick advised that the Committee's recent meeting had focused, in addition to the College's financial statements, on the Knowledge Infrastructure Program; it was anticipated that work would be complete by the March 2011 deadline. The Committee also continued its ongoing review of the Board budget; final costs associated with attendance at the Association of Canadian Community Colleges (ACCC) 2010 conference were yet to be reviewed.

5. OTHER REPORTS, cont'd
5.2 Report: Human Resources Committee

Committee Chair Mike Russell advised that he would have a report for the In Camera session.

5.3 Liaison Report: Douglas College Foundation

Liaison Mary Hemmingsen reported that the Foundation's Annual General Meeting was planned for July 7, 2010 and that Mr. Baj Puri would lead a new Executive. The Foundation was organising the October 30, 2010 *Masque Royale* gala to mark the College's 40th anniversary and raise funds for students, and Board members were encouraged to recruit participants. Foundation staff were working on the third annual *Fall Fair*, scheduled for September 18, 2010 at the David Lam Campus, and the Foundation had – thanks in great part to a significant and unprecedented donation – enjoyed a successful year given the economic downturn.

5.4 Liaison Report: Education Council

Liaison Peter Kendrick had missed the last two meetings of Education Council, and had no report.

5.5 Board Chair's Report

The Chair congratulated Elizabeth McCausland on her election, effective September 1, 2010, as Chair of Education Council.

In reporting on the ACCC 2010 conference, attended by – among others in the room – three Board members, the Chair reflected on the benefits and value, from a governance perspective, of attending such conferences. He noted that the Board Executive had begun consideration of alternative structures and organisations offering governance education; the Association of Governing Boards (AGB) is a US entity whose annual conferences BC and Canadian peers have attended and recommended. He advised that the Executive Assistant to the Board had been researching and costing out attendance at the AGB's April 2011 conference in Phoenix, Arizona, and suggested considering this Board send some people to that conference.

Peter Kendrick and Sydney Tomchenko offered their insights on the ACCC 2010 conference. Peter Kendrick noted that, in considering demographics, one of the speakers had projected not only job shortages, but also a shortage of people possessing the right skills. He remarked on a great presentation by Olds College President Dr. Tom Thompson on shared leadership in higher education, and on a presentation by Shelagh Donnelly to her peers. Sydney Tomchenko concurred with Paul Wates' comments although, as a new Board member, she learned from differing perspectives on colleges. One presentation, "Are You Driving Your President Crazy?", examined the role of a board in the evaluation of its CEO's performance, and planted a suggestion that perhaps the Douglas College President and Senior Management Team (SMT) should participate in measuring this Board's performance. Paul Wates concurred, adding that this would be one focus of the Board's Fall 2010 retreat.

The Chair also shared Peter Kendrick's views on Tom Thompson's presentation, "What is the Relationship between the Practice of Shared Leadership and Board Effectiveness in Higher Education?" The Chair spoke with Dr. Thompson and then David Chiang, Chair of the Langara College Board at the conference and, without making any commitments, offered to take to this Board the prospect of inviting Dr. Thompson to give a joint presentation to these two boards. Paul Wates suggested exploring this further, and it was agreed that he would do some work to bring a plan back to this Board in Fall 2010.

5. OTHER REPORTS, cont'd
5.5 Board Chair's Report, cont'd

The Chair advised that, with the appointment of Jim Utley to the Board this month, the Board was now restored to its quota of eight Order in Council (OIC) members after an eight month vacancy. He reported that the College had asked the Board Resourcing and Development Office (BRDO) in April 2010 to commence searching for prospective replacements for Michael Hwang, whose term would conclude on December 31, 2010.

The Chair reported that he would travel to China with Kathy Denton, Scott McAlpine and Karen Maynes the following day to join Guangwei Ouyang and participate in joint graduation ceremonies with partners, Heilongjiang Institute of Science and Technology (HIST) and the Shanghai Institute of Foreign Trade (SIFT).

The Terms of Reference for the College's Honorary Degree Selection Committee called for inclusion of a College Board member on the committee, and Paul Wates asked that any interested parties speak with the Board Executive Assistant. He noted that Hazel Postma, as Chair of the committee, was available for questions from Board members considering putting their name forward. The President suggested that some policy work for selection of honorary degree recipients might still be underway, but that the committee would resume meetings in September 2010.

The Chair thanked Bruce Clarke, Mary Hemmingsen and Peter Kendrick for joining him in representing the College Board at one or more of the six recent graduation ceremonies, events that are gratifying for all involved.

The Chair then thanked those Board members whose terms would conclude between this meeting and the Board's next gathering. Paul Wates offered appreciation and thanks to Graeme Bowbrick, Dave Guedes and Mike Regan. While more formal recognition would be offered these members following the Board's October 2010 retreat, the Chair thanked these three Board members for the wisdom and insight they had brought to the Board.

6. NEXT MEETING AND ADJOURNMENT

Recent announcements indicating potential for Douglas College students to vote on the option to participate in the Metro Vancouver U-Pass transit system led to queries as to progress. Blaine Jensen advised that the Douglas Students' Union (DSU) had been actively involved in the campaign for such an opportunity, and that the College was actively involved in discussions with TransLink and other institutions. Once the program was fully established, with details available, the opportunity would be put forward by referendum to the College's students. The President advised that both the U-Pass system and the Evergreen Line rapid transit project would be key to this College, given the efficiencies students could gain in terms of travel to and between campuses. The President commended Blaine Jensen for his involvement in the U-Pass campaign.

Student and DSU Constituency Group Leader (CGL) Jerin Mece asked if he could offer an informal comment, and the Chair concurred. Mr. Mece noted that the *One Pass* advocacy endeavour was launched at Douglas College and that, on behalf of the DSU, he wished to thank Blaine Jensen for his involvement. The DSU had hosted a significant rally toward this cause, and would be hosting a celebratory barbeque at the David Lam Campus on June 24, 2010. Jerin Mece invited all Board members to join students in this celebration.

There being no further business, the meeting adjourned at 6:48 p.m. The next Open Session meeting was confirmed for a 5:00 p.m. start in the David Lam Campus on Thursday, September 16, 2010.

CHAIR

PRESIDENT