

ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

MINUTES OF THE

FULL BOARD MEETING of the BOARD OF GOVERNORS

Held on Tuesday, December 5, 2017 at 5:00 p.m., in the President's Board Room #342, Windsor, ON

Present:

Mr. D. Allen, **Chair**
Mr. K. Beaudoin
Ms. T. Bendo
Ms. K. Behune Plunkett
Dr. K. Blanchette
Ms. M. Corey
Mr. F. Curtis
Ms. P. France, **President**
Ms. N. Jammu-Taylor
Ms. L. Kempe, **Chair-Elect**
Ms. R. Khosla
Mr. P. McMahon
Mr. R. Renaud
Mr. E. Sovran
Mr. C. Topliffe
Ms. M. Wickham
Ms. T. Wonsch

Also Present:

Ms. K. Adams, Secretary, Board of Governors
Mr. D. Barsanti, Vice President, Student Services & Administration
Mr. J. Fairley, Vice President, College Communications and Community Relations
Ms. S. Favaro, Corporate Secretary & Manager, President's Office
Mr. W. Habash, Vice President, Academic
Mr. M. Jones, Chief Financial Officer
Mr. J. Marsh, Chair, School of Business and Information Technology
Mr. R. Seguin, Vice President, International Relations, Training & Campus Development
Mr. J. Sirianni, Vice President, Human Resources

Having a quorum of Governors in attendance and the Notice of Meeting and the Agenda having been duly sent to all Board members, the meeting was declared regularly constituted. A copy of the Notice of Meeting/Agenda is attached as **Appendix 'A'**.

Mr. Allen chaired the meeting and Ms. Adams was the recording secretary.

1.0 Adoption of the Agenda and Declaration of Conflict of Interest

Dr. K. Blanchette declared a conflict of interest on Items 5.1- eSports Entrepreneurship and Management – Ontario College Diploma Program; and on Item 5.2 - Data Analytics for Business – Graduate Certificate Program. Hearing no other declarations of conflict of interest and no changes to the agenda, it was

RESOLVED THAT the Board of Governors adopt the Full Board agenda as distributed.

2.0 Approval of the In Camera and Full Board Minutes of the October 24, 2017 Meeting Held in Windsor, ON

The Chair pointed out the following corrections to be made to the Full Board Minutes of October 24, 2017 reported under Item 7.1 Student Fee Protocol:

- The Credit Transfer Assessment Fee should read \$25 per course.
- The new Electrical Techniques kit fee should read \$470.

Hearing no further amendments, errors or omissions to the Minutes, it was

RESOLVED THAT the Board of Governors approve the In-Camera meeting of October 24, 2017 as distributed **AND THAT** the minutes of the October 24, 2017 Full Board meeting be approved as amended.

3.0 PRESIDENT'S REPORT

The President reported to the Board on the following key initiatives:

- The St. Clair College Music Theatre Performance and Entertainment Technology students will present Merry Christmas 1967 at the Chrysler Theatre Thursday, December 14, 2017 and Friday, December 15, 2017 at 7:30 p.m. and Saturday, December 16, 2017 at 2:00 p.m.
- The S'aunts annual Holiday Music project; the Sleighing Hunger Concert is being held at The Colosseum at Caesar's Windsor on Friday, December 22, 2017 at 8:00 p.m. This is an amazing community event and an opportunity for St. Clair College to give back to our community as all funds raised go to various food banks and charities in Windsor-Essex and Chatham-Kent.

- The President provided an update on the potential opportunity to partner with the Windsor-Essex Child/Youth Advocacy (WECYAC). At this time, the College is continuing to conduct its due diligence with regard to the partnership proposal. An Operations Committee, with representatives from the College and the WECYAC, has been established to review all of the details and bring forward recommendations to Senior Management. The President further noted that the WECYAC is in the process of applying for Ministry funding and that the College has provided a letter of support to the WECYAC confirming that the College supports the initiative, in principle. The application deadline is December 8, 2017. WECYAC will articulate in the application that they are pursuing a partnership with St. Clair College and potentially housing the advocacy centre on College property.
- The President noted that the work stoppage ended on Monday, November 21, 2017 after the provincial government passed back to work legislation. To date, the College has received 875 work stoppage related student withdrawals; 825 domestic students and 50 international students. We are estimating that approximately 1,000 student withdrawals will be received by the final deadline.
- The President reported that she met with MPPs Reza Moridi and Michael Coteau on November 24, 2017 to discuss the Public Private Partnership (PPP) directive. She further reported that the six college Presidents affected by the wind down of the PPP met with Greg Orencsak, Deputy Minister, to review the aggregate financial impact of the six colleges from a deficit perspective. A significant deficit position is anticipated for three to five years based on the data that includes both the wind down of the PPP and the impact of Bill 148. Mr. Orencsak has requested that the six Presidents present a business case on the financial impact to their institutions. The President will contact Mr. Craney, Assistant Deputy Minister to confirm the details that should be included in the business case.
- The President noted that the Senior Management Team is taking a proactive approach in establishing strategies that will help to mitigate the financial impacts of Bill 148 and the wind down of the PPP to the institution. She indicated that Administration will be presenting a three year budget that will assist in identifying financial obstacles and strategies to overcome the impacts.

At this time Ms. L. Kempe took the opportunity to announce that the Alumni Association, as part of the 50 Acts of Kindness for the 50th Anniversary celebration, has generously donated \$500 to 50 students to assist with the Strike Relief Fund. She stated that the donation will be added to the fund and will be earmarked for students in their graduating year.

4.0 MONITORING REPORTS

4.1 Mid-Year Budget Review 2017/2018

Mr. M. Jones provided a PowerPoint on the Mid-Year Budget for 2017-2018 and he highlighted the following key points:

- At the October Board meeting, it was reported that the actual surplus at September 30, 2017 was \$31.2 million and this was on target with budget.
- At the time of mid-year review, it is forecasted that there will be a surplus of \$5.2 million which is \$4 million higher than the original budget.
- Mid-year review was completed based on normal business operations. It does not reflect cost savings, additional costs or lost revenues from the faculty work stoppage. As the mid-year review process was being completed, the outcome of the faculty work stoppage was unknown and is still largely estimated. As the collective bargaining process concludes and more information is made available regarding the post work stoppage implications, Administration will proactively manage these items.

Revenues

Overall, revenue increased by 7.1% or \$9,246,000. The following highlights compare the Board approved 2017 – 2018 Original Budget to some of the changes in revenue:

- MAESD Operating Grants increased by \$711,000 or 1.5 % over the Original Budget.
- Total Contract income increased by \$389,000 or 3.0% over the Original Budget.
- The Experience Ontario program resulted in an increase of funding of \$262,000.
- The Career Ready program, designed to support work integrated learning, resulted in an increase in funding of \$196,000.
- Tuition Revenue increased by \$6,436,000 or 16.6% over the Original Budget due to the following:
 - Significant increase in Acumen revenue of \$1,150,000.
 - Increase in Division Income of \$477,000 primarily due to higher ancillary fees.

Expenditures

Overall, expenditures increased by \$5,228,000 or 4.1% over the Original Budget. The following highlights compare the Board approved 2017 – 2018 Original Budget to some of the changes in expenditures.

- Total Salaries and Benefits increased by \$2,751,000 or 3.6% due to:
 - Full-time Faculty salaries increased in anticipation of the potential proposed settlement through the Collective Bargaining process.
 - Part-time Faculty salaries increased to accommodate higher enrolment.
 - Part-time Support salaries due to the minimum wage increase and adjustments to the work study budget.
 - The cost of fringe benefits also increased to coincide with the above.
- Total Non-Salary Expenditures increased by \$2,442,000 or 5.6% due to increases in:
 - Advertising Costs
 - Contract Services
 - Instructional Supplies
 - Insurance
 - Bursaries

Ancillary Operations

- Overall ancillary revenues and expenditures remained unchanged over the Original Budget.

Assets

- Assets are projected to be \$217 million which is \$2.3 million higher than the Original Budget. This can be largely attributed to the mid-year surplus adjustment as well as some capital asset additions.

Net Assets

- Net assets are projected at \$52 million which is \$4 million higher than the Original Budget. This can be attributed to the mid-year surplus adjustment.

Non-Committed Cash Projection

The following are variances in the non-committed cash projection:

Capital Grants and Capital Expenditures

- Since the Original Budget was approved, there has been an increase of \$2.6 million in both Capital Grants and Expenditures.
 - The College received \$1.9 million in additional funding for capital equipment for academic purposes.
 - The College received \$400,000 in apprenticeship funding.
 - The above are both flow-through grants.

Capital from Operations

- Since the Original Budget was approved, Capital from Operations has increased by \$2 million, due to:
 - \$1 million from the 50th Anniversary grant from the Ministry.
 - The remainder is attributable to classroom renovations and technology improvements to accommodate the influx of additional International students.

Surplus

- Increased by \$4 million.
- The year-end non-committed cash surplus position is projected to be \$6.9 million, which is \$2.1 million more than originally projected.

Financial Sustainability Metrics

- Administration previously projected no flags.
- The College may experience a flag(s) due to the financial impacts of the work stoppage.

Strike Implications

The implications of the work stoppage are still being estimated.

- Savings from Salaries and Benefits as a result of the work stoppage amount to approximately \$3 million.

The estimated additional costs associated with the work stoppage are as follows:

- Incremental Teaching and Overtime of \$1,450,000.
- Student Strike Relief Fund/Tuition Bursaries/Class Action Lawsuit of \$2.5 million.

- Tuition Refunds from Student Withdrawals estimated at 1,000 students to cost \$3 million.
- Return to Work Settlement of \$700,000.
- The net forecasted impact to MYR Budget Surplus is (\$4,650,000).

Additional financial impacts due to the work stoppage are still being considered, such as, lost commission revenues, additional security costs, utilities, cancelled training activities and events, etc.

There is an expected increase in International tuition revenue with an additional 500 International students arriving in January 2018.

After a question and answer period, it was,

RESOLVED THAT the Board of Governors approve the 2017– 2018 Mid-Year Budget Review.

The Mid-Year Budget Review 2017– 2018 presentation is attached as item #4.1.

4.2 Business Plan Budget Accrual Template (MAESD Format)

Mr. M. Jones reported that the Ministry of Advanced Education and Skills Development requires that the College provide annually, in January, a Business Plan Accrual Budget Template as a forecast for the period ending March 31, 2018 on an accrual basis. St. Clair College produced the template based on the results of the Mid-Year Review.

After a brief discussion, it was,

RESOLVED THAT the Board of Governors receive and approve the Business Plan Budget Accrual Template (MAESD Format).

5.0 APPROVAL ITEMS

At this time Dr. K. Blanchette was excused from the Board meeting as he previously declared a conflict of interest on this item. Mr. W. Habash then introduced Mr. J. Marsh, Chair, School of Business and Information Technology.

5.1 eSports Entrepreneurship and Management – Ontario College Diploma

Mr. W. Habash highlighted the following key points on this item:

- The eSports Entrepreneurship and Management program is a 2 year Ontario College Diploma funded by the Ministry commencing September 2018.
- The rationale for the proposed two year eSports Entrepreneurship and Management Ontario College Diploma being recommended is as follows:
 - Synergies with other programming at St. Clair College to create inter-professional education opportunities and pathways.
 - Increase student engagement and awareness of the epiGenesis Centre with promotion and support of entrepreneurship.
 - Support and collaboration with the Saints College eSports Varsity Team.
 - Unique programming to assist in making St. Clair College a “destination of choice” for domestic students.
 - There is a growing demand for this program from the gaming generation and there will be many future job opportunities in this field.
- This program will prepare students to work in the interactive business of eSports; learning the practical business and entrepreneurial skills and develop comprehensive and foundational knowledge of eSports:
 - Sports management, communications, leadership, entrepreneurship, business development and social media will be included in the courses of study.
- Students will also learn a unique blend of eSports gaming topics:
 - The history of eSports, game design, event and team management, broadcast and content creation, hardware and software.
- Students will also participate in a variety of relevant, practical learning experiences that will allow them to integrate the knowledge gained throughout the program in the planning, development and execution of eSports experiences and projects.
- Graduates of the program will be prepared to pursue a variety of career opportunities such as team and league managers, marketing and promotion, event management, and eSports livestream technicians.
- The program budget indicates that the financial impact could be at a break even position after the third year and could provide a Net Present Value of \$201,233 in five years.
- The introduction of this program would require the College to hire faculty in year one and year three of the program.

After a brief discussion, it was,

RESOLVED THAT the Board of Governors approve the eSports Entrepreneurship and Management Ontario College Diploma program commencing September 2018.

5.2 Data Analytics for Business – Graduate Certificate

Mr. W. Habash highlighted the following key points:

- Data Analytics for Business is an unfunded program. It is a two year Board of Governors graduate certificate program which will commence September 2018.
- Marketing for this program will primarily be directed towards International students.
- The rationale for the proposed two year graduate certificate program is as follows:
 - Data analytics is a growing field and will provide many employment opportunities for graduates.
 - Increases International enrolment.
 - Closes skills gap in a growing field.
 - Enhances employability skills.
 - Supports local business and manufacturing bases.
 - Synergies with other programming within the School of Business and Information Technology to create inter-professional education opportunities, specifically Computer Networking, Mobile Applications and Web Development.
- Graduates of this program may find employment in various information technology consulting firms and within information technology fields, both in the private and public sectors. Potential employment may include data administration (DBAs), database analysts, database architects, data warehouse analysts, technical database architects and other areas dealing with “Big Data”.

- The financial impact of this program demonstrates that it could show a small profit in its first year and could provide a Net Present Value of \$1 million at the 5 year mark.
- The introduction of this program would require the College to hire faculty in year one and year two of the program.

After a brief discussion, it was,

RESOLVED THAT the Board of Governors approve the Data Analytics for Business – Graduate Certificate program commencing September 2018.

6.0 DATE OF THE NEXT MEETING

The next Board meeting will be Tuesday, February 27, 2018. The Board Retreat has been rescheduled for Friday, January 26, and Saturday, January 27, 2018 at the Holiday Inn, Windsor, ON.

St. Clair College
Financial Monitoring Report
Mid-Year Budget Review 2017-18

Presentation to the Board of Governors
December 5, 2017



Table of Contents

- ▶ Recap: Financial Report 2017-18 2nd Quarter
- ▶ Mid-Year Budget Review 2017-18:
 - ▶ Summary of Revenues and Expenditures
 - ▶ Balance Sheet
 - ▶ Non-Committed Cash Projection
 - ▶ Financial Sustainability Metrics
 - ▶ Strike Implications
- ▶ Recommendation

Recap: Financial Report 2017-18 2nd Quarter

Income Statement (in 000s)			
Line Item	Approved Budget	Sept. 2017 Actual	Sept. 2016 Actual
Revenue	\$129,990	\$94,900	\$83,778
Expenditures	\$128,814	\$63,617	\$62,266
Surplus/(Deficit)	\$1,176	\$31,283	\$21,512

On target with budget.

Mid-Year Budget Review 2017-18



Summary of Revenues and Expenditures

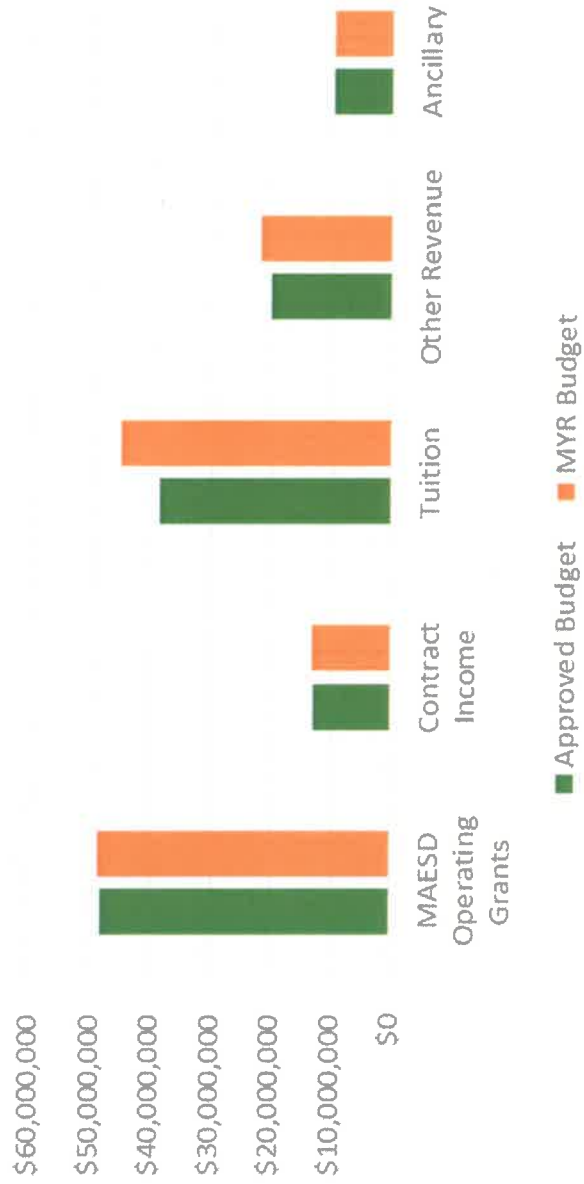
Income Statement (in 000s)			
Line Item	Approved Budget	MYR Budget	Variance
Revenue	\$129,990	\$139,236	\$9,246
Expenditures	\$128,814	\$134,042	\$5,228
Surplus/(Deficit)	\$1,176	\$5,194	\$4,018

Note: Total revenue and expenditures reflect normal business operations. The budget does not reflect any cost savings, additional costs, or lost revenues from the work stoppage, as the outcome was unknown at the time of budget development. Administration will proactively manage the outcomes from the collective bargaining process.

Revenues

Schedule II

Mid-Year Review: Revenues



Changes to Revenue

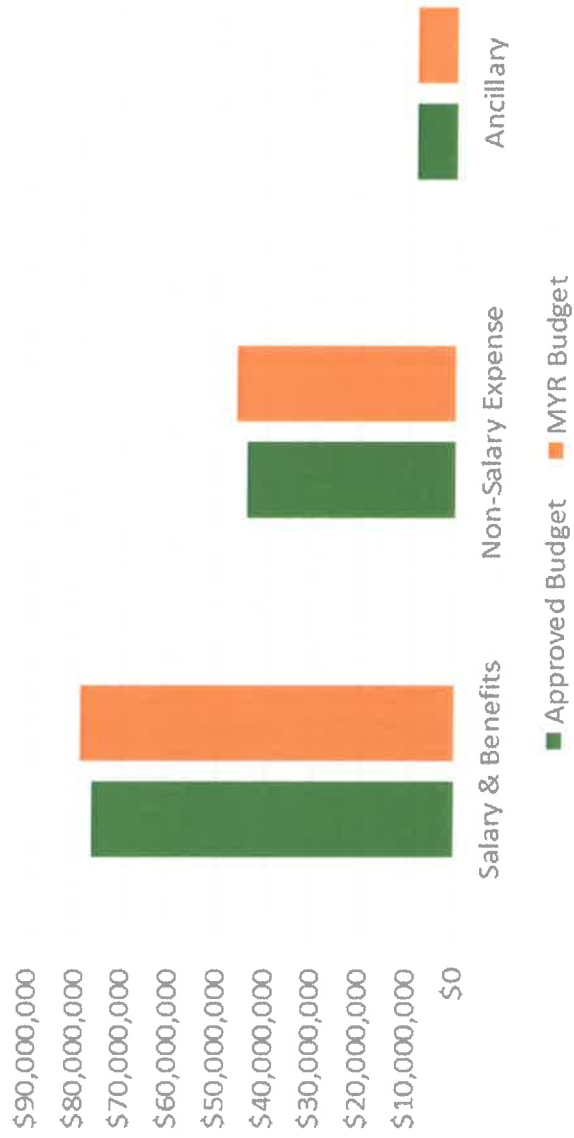


Overall, revenues increased 7.1% or \$9,246,000

Expenditures

Schedule III

Mid-Year Review: Expenditures



Changes to Expenditures

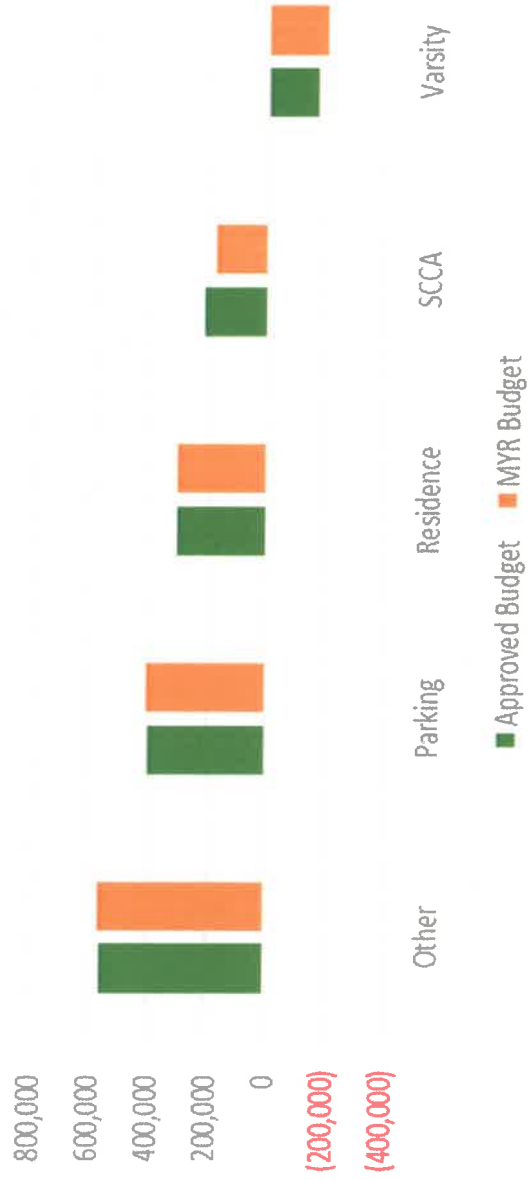


Overall, expenditures increased 4.1% or \$5,228,000

Ancillary

Schedule IV

Mid-Year Review: Ancillary Surplus/(Deficit)



Balance Sheet

- ▶ Assets \$217,114,418
 - ▶ Cash and Cash Equivalents \$30,206,965
 - ▶ Capital Assets \$309,182,207
- ▶ Liabilities \$164,388,835
 - ▶ Deferred Revenue \$11,029,849
 - ▶ Deferred Capital Contributions \$119,519,328
- ▶ Net Assets \$52,725,583
 - ▶ Unrestricted Net Assets \$16,078,997

Non-Committed Cash Projection (in 000s)

Line Item	Approved Budget	MYR Budget	Variance
Prior Year Cash Surplus	\$5,800	\$5,800	-
Capital Grants (additional AEF / CERF funding)	\$4,618	\$7,221	\$2,603
Capital Expenditures	(\$4,618)	(\$7,221)	(\$2,603)
Capital from Operations	(\$3,600)	(\$5,600)	(\$2,000)
Surplus	\$1,176	\$5,194	\$4,018
Adjust Net Amortization	\$2,375	\$2,533	\$158
Board Reserve	(\$1,000)	(\$1,000)	-
Year-End Cash Surplus	\$4,751	\$6,927	\$2,176

Financial Sustainability Metrics

- ▶ Calculated based on information from the projected Mid-Year Review Income Statement and Balance Sheet.
- ▶ Actual metrics for March 31, 2017, and projected metrics for the Approved Budget and Mid-Year Budget Review for March 31, 2018
- ▶ March 31, 2018 Projection: **NO FLAGS**

Strike Implications

Implication	Financial Impact
Savings: Salaries and Benefits	\$3,000,000
Additional Costs:	
Incremental Teaching and Overtime	(\$1,450,000)
Student Strike Relief Fund / Tuition Bursaries / Class Action Lawsuit	(\$2,500,000)
Tuition Refunds from Student Withdrawals Estimated 1,000 students Currently (825 Domestic / 50 International)	(\$3,000,000)
Return to Work Settlement	(\$700,000)
Additional Costs Subtotal	(\$7,650,000)
Net Forecasted Impact to MYR Budget Surplus	(\$4,650,000)

Strike Implications

Implication	Financial Impact
MYR	\$5,194,000
Net Forecasted Impact to MYR Budget Surplus	(\$4,650,000)
Revised MYR	\$544,000

Other implications (To Be Determined):

- Lost commission revenues, additional security costs, utilities, cancelled training activities and events, etc.
- Increase in International Revenue (additional 500 students) in January 2018

Recommendation

- ▶ IT IS RECOMMENDED THAT the Board of Governors approve the 2017-18 Mid-Year Budget Review report.



Questions?

Business Plan Accrual Budget Template (MAESD Format)



Business Plan Accrual Budget Template (MAESD Format)

Statement of Operations (in 000s)		
Line Item	Interim Accrual Income Statement	MYR Budget Income Statement
Revenue	\$139,236	\$139,236
Expenditures	\$134,042	\$134,042
Surplus/(Deficit)	\$5,194	\$5,194

Business Plan Accrual Budget Template (MAESD Format)

Statement of Financial Position (in 000s)		
Line Item	Interim Accrual Income Statement	MYR Budget Income Statement
Assets	\$217,114	\$217,114
Liabilities	\$164,389	\$164,389
Net Assets	\$52,725	\$52,725

Recommendation

- ▶ IT IS RECOMMENDED THAT the Board of Governors:
 - ▶ Approve the Business Plan Accrual Budget Template (MAESD Format).



Questions?