

**RED RIVER COMMUNITY COLLEGE
BOARD OF GOVERNORS
SPECIAL MEETING**

MINUTES

B:96/05

May 3, 1996

2055 Notre Dame Avenue, Winnipeg, Manitoba
C7th Floor Boardroom, Building C
1:30 p.m.

In Attendance:

Governors: R. Bullock, Chair
H. Middlestead, Vice-Chair
J. Bear
D. Finkleman
L. Foster
P. Gibson (Until 4:45 p.m.)
C. Herda
B. Lavallee
G. Tsouras
T. Whiteman

Regrets: B. Bachalo
D. Falcetta

President: T. Knowles

Secretary: J. Tribula

Guests: C. Rushton, Director, Financial Services
N. Konowalchuk, Executive Director, Administrative Services
P. McGeachie, Executive Dean, Developmental and Continuing Education
G.B. Garbutt, Dean, Health, Community Services, Applied Sciences and
Electrical/Electronics Technology
L. Patterson, Director, Human Resource Services
P. Komarnicki, Chair, Accounting and Computer Education
D. Pokrant, Executive Assistant to the President
R. Mattock, Manager, Bookstore/Print Centre
R. Barnes, Director, Facilities Management

Call to Order

With attendance constituting a quorum, the Chair called the meeting to order at 1:40 p.m.

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1. OPENING REMARKS

The Chair proposed that during Items 2 and 3 of the Agenda, that Board members ask clarification questions only and that debate on the budget be withheld until Item 4.

An item on Other Business was added to the Agenda.

2. OVERVIEW OF BUDGET AND RELATIONSHIP TO THE BUSINESS PLAN

The President presented an in-depth analysis of the connection between the 1996/97 proposed budget and the Board approved draft Business Plan. He advised that management developed the budget based on the assumptions of policy governance and the institutional philosophy and global direction of the Board as contained in the Business Plan. Management undertook an intensive review of the College's financial situation over the past six months and a significant level of detail was available for Board review.

The President reviewed the variances from the 1996/97 proposed budget to the projections in the Business Plan. He noted that the College is in a more favourable financial position for the 1996/97 fiscal year than anticipated, and that a balanced budget is being presented. He also commented that mid-year adjustments may be necessary due to funding changes beyond the control of the College.

A summary of the President's presentation was distributed, as well as the answers to the questions submitted by Board members on April 25, 1996.

3. PRESENTATION ON THE BUDGET PROCESS AND DETAILED FINANCIAL FIGURES

Ms. Rushton provided a detailed financial package on the 1996/97 budget divided into expenditures and revenues by division. She also indicated that the Board members were welcome to peruse the more detailed information from the divisional managers.

Ms. Rushton reviewed the 1996/97 internal budget process. She advised that a training session was held in August 1995 for College managers on the new automated budget system. A detailed analysis of the 1994/95 budget versus actuals was undertaken. Managers were requested to devise a budget based on the requirements to maintain the current level of programming activity at the College. Anticipated enrollment and attrition for programs were reviewed as well as the College's projected capital requirements. The strategic business units were requested to develop separate business plans.

In early Fall, the College was anticipating a decrease in revenues and after the original budget submissions were collated, the College undertook a 96% budget reduction exercise. These reductions were prioritized by the College Management Committee (CMC) based on the overall strategic direction of the institution and the Business Plan.

Ms. Rushton reviewed each statement of the 1996/97 Budget Executive Summary and the variance analysis to the 1995/96 now expected.

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Ms. Foster requested clarification on the projected savings on the retirement incentive packages the Board approved at the April 24, 1996 meeting. The President indicated that applications could be accepted past the due date of June 14, 1996 if additional savings could be achieved. He reiterated that each application will be vetted to ensure maximum savings to the College.

Regular retirement and layoff severance costs have been an unfunded liability since governance. It was clarified that the new initiative proposal for severance was separate from the retirement incentive plans.

Ms. Foster requested that the Board receive a copy of the final budget submission that is forwarded to the government.

Various questions were raised and answered on the detailed financial statements. The Board complimented the College's management on the budget presentation and commented that the documentation was very helpful.

The grant in lieu of taxes was questioned and Mr. Konowalchuk indicated that the College is awaiting clarification from the government on this issue.

The final budget directions from the Director, Colleges Secretariat, were distributed to the Board for information.

4. GENERAL DISCUSSION AND DEBATE

MOTION: P. Gibson/B. Lavallee

THAT the Board of Governors approve the 1996/97 budget for submission to the government.

Mr. Tsouras commented that the Board should review the draft Business Plan to ensure that it appropriately reflects the entrepreneurial spirit of the Board and College.

The issue of the government's request for increasing enrollment was discussed. It was noted that increases in enrollment are addressed through the new initiative proposals.

The Board questioned whether the proposed tuition increase could potentially decrease the number of students who apply to the College. The President noted that colleges across Canada are raising tuition from 5%-20% and that tuition costs are not normally the reason why students do not attend post-secondary institutions. He also indicated that the College has historically not had a problem in filling programs and that additional avenues for student financing have been developed by the provincial government.

MOTION:

Carried

5. OTHER BUSINESS

5.1 Atomic Energy of Canada Limited (AECL)

As reported at the April 24, 1996 Board meeting, a task force has been established to investigate alternatives for the AECL facility in the Whiteshell. The President distributed his *Proposal to Establish a World Class University/College Involving the Whiteshell Laboratories of Atomic Energy of Canada (AECL)*.

The Chair commented on the changing nature of post-secondary institutions in Canada and that the entire system will be subject to increased financial stress as federal transfer payments are reduced. RRCC has been given the opportunity to develop a new model of delivery of post-secondary education and it is a credit to the College to be involved in such a project.

The President reviewed the concept of the proposal. If approved, the President and Paul McGeachie, Executive Dean, Developmental and Continuing Education, could be extensively involved in the project for at least a four week period.

An update will be provided to the Board as events progress.

5.2 Administrative Affairs Committee

The next meeting of the Administrative Affairs Committee was rescheduled to May 14, 1996. Additional agenda items were added.

The meeting adjourned at 5:00 p.m.

Mr. Ralph Bullock, Chair

Dr. Tony Knowles, President