



**MINUTES OF THE SEVENTEENTH MEETING
BOARD OF DIRECTORS
FANSHAWE COLLEGE FOUNDATION**

Meeting #17 – H1005 Conference Room, London Campus Wednesday, February 9, 2011

Present: Larry Kinlin, Chair
David Atkinson
George Baran
Donna Bourne
Brad Duncan
Angie Francolini
Josh Levite
Howard Rundle
Bob Siskind
Andy Spriet
Natasa Veljovic

Resource Personnel

Catherine Finlayson, Executive Director, Fanshawe College Foundation
Lori Johnston, Board Secretary
Scott Porter, Corporate Secretary/Treasurer

Official Observers

Laura Visconti, Development Office
Kacey German, Alumni Office

Regrets: Steve Cox
Peter Kryworuk

In Attendance: Donna Gilbert, Assurance and Advisory Senior, Deloitte [Item D.1]
Bernice Hull, Vice-President, Planning and Administrative Services [Item F.3]
Stephanie Lentz, Assurance and Advisory Senior Manager, Deloitte [Item D.1]

A. OPENING PROCEDURES

1. Call to Order

Announcing a quorum, Chair Kinlin called the meeting to order at 7:38 a.m.

2. Chair's Welcome

Noting regrets, the Chair welcomed everyone to the meeting.

A. OPENING PROCEDURES (continued)

3. Approval of Agenda

Following a suggestion to move Item G.1 and D.1 forward to follow 'Opening Procedures', it was:

Moved by: David Atkinson
Seconded by: Josh Levite

“THAT the agenda be approved as amended.”

Motion Carried – Resolution #1701

4. Approval of Minutes

It was:

Moved by: Angie Francolini
Seconded by: Brad Duncan

“THAT the minutes of the September 22, 2010 meeting be approved as presented.”

Motion Carried – Resolution #1702

5. Business Arising from Minutes

Chair Kinlin noted that a written report was provided for the Board's information.

G. COMMITTEE OF THE WHOLE IN-CAMERA

It was agreed by consensus to move into the Committee of the Whole In-camera at 7:43 a.m.

[All guests and observers were excused for Item G.1 (Personnel Matter).]

H. REPORT OF THE COMMITTEE OF THE WHOLE

It was agreed by consensus to rise and report at 7:48 a.m., and that the report of the Committee of the Whole be accepted as follows:

① **“THAT Donna Bourne be appointed to the Fanshawe College Foundation commencing immediately for a two-year term;**

AND THAT George Baran and Natasa Veljovic be appointed to the Fanshawe College Foundation commencing immediately for a three-year term.”

Motion Carried - Resolution #1703

D. MONITORING

1. External Auditor's Report

Following a brief introduction of Stephanie Lentz and Donna Gilbert, Ms. Lentz continued by reviewing reporting responsibilities of the Board, Deloitte and Management, their client service team, and the areas of audit focus.

In response to questions, it was noted that in terms of asset valuation, the audit will confirm market values with the asset manager, but will not review the nature of the investments.

Ms. Lentz continued by confirming materiality at \$119,000 for this year's audit, noting that there is little change over last year's materiality.

In answer to a question, Ms. Lentz noted that materiality is based on a percentage of the net asset value. She noted that she would double check the actual percentage and advise the Board.

[Secretary's Note: On February 12, 2011, Ms. Lentz provided the following information: "Preliminary planning materiality of \$119,000 is based on 1% of Net Assets of \$11,949,000 (which came from interim financial statements forwarded to us earlier in the year by management). Our materiality for the 2010 audit was \$109,000, which is not significantly different, and was based on the same critical component (Net Assets). As always, we will review the preliminary materiality figure when we receive the final numbers as at March 31, 2011 to ensure the \$119,000 is still appropriate."]

Continuing with the presentation, Ms. Gilbert reviewed Deloitte's 'deliverables' to the Board, their responsibility to report fraud and error, highlighted reportable matters, and provided an update concerning accounting and auditing standards. Ms. Lentz noted that changes for private sector not-for profit and government sector not-for-profits will occur in 2013, and once standards are clarified, the colleges will be required to make some choices.

In response to a question, it was noted that a system wide college approach is currently being developed.

Discussion ensued concerning the wording of the Board's reporting responsibility concerning 'prevention and detection of fraud and error'. Ms. Lentz noted that the Board is involved in an oversight capacity, and does this by setting policies.

In response to a question, Ms. Lentz noted that they will test general IT controls, including security, but looking for illegal acts by employees using their computers does not fall under their scope for this audit. Mr. Porter added that the College has policies in place concerning inappropriate use of computers, with usage being monitored and action taken as needed.

D. MONITORING

1. External Auditor's Report (continued)

It was subsequently:

Moved by: David Atkinson
Seconded by: Andy Spriet

“THAT the 2011 Preliminary Audit Plan be received.”

Motion Carried – Resolution #1704

B. BOARD PROCESS

1. Nominating Committee

It was:

Moved by: Josh Levite
Seconded by: Howard Rundle

“THAT Steve Cox be appointed to the Nominating Committee.”

Motion Carried – Resolution #1705

2. Schedule of Executive Director's Performance Assessment

Following a brief preamble by the Chair, it was:

Moved by: Donna Bourne
Seconded by: Brad Duncan

“THAT the process for assessing the Executive Director's performance for the period January 1 to December 31, 2010 be approved as presented.”

Motion Carried – Resolution #1706

C. POLICY DEVELOPMENT AND STRATEGIC ISSUES

1. Updated Funding Priorities

Ms. Finlayson briefly noted the process used to determine the priorities, adding that the list does not change too much from year to year, as most of the items are large or long-term projects.

D. MONITORING (continued)

2. Operational Expectations Monitoring Report

The Executive Director briefly highlighted some of the successes under the Donor Rights Policy (D-05) as noted in the written report.

In response to a question, Ms. Finlayson provided an overview of Imagine Canada and their Ethical Code. It was noted they provide ethical standards in terms of privacy and appropriate behaviour to use when dealing with donors. It was noted that Fanshawe is one of three Ontario colleges who are members of the Imagine Canada Ethical Code.

As a result of a request for information, Ms. Finlayson noted she would be happy to provide the Board with an overview of what is happening with foundations in the college system, and where we are in relation to the others at a future meeting. She added that she chairs Colleges Ontario's Advancement Committee and they are currently working on a benchmarking project, which she will also report on when complete.

Continuing with the report, the Executive Director confirmed that all monitoring criteria under the Gift Acceptance Policy (D-10) have been met and we are in full compliance. She continued by noting there is a significant process in place through collaboration with the College before gifts are accepted.

In answer to a question concerning protection for the Foundation, Ms. Finlayson noted that offers of gifts are researched as to the appropriateness and need for the potential gift before being accepted. In addition, it was noted that both the College and the Foundation have policies in place around gift acceptance (contained in the Foundation's Corporate Manual). It was suggested that a copy of these policies be distributed to Board Members with the minutes (i.e., Foundation Policy D-10, and B-30, which includes Board of Governors' Policy B-55 as an appendix).

Following discussion, it was:

Moved by: Andy Spriet
Seconded by: Bob Siskind

“THAT the Operational Expectations Monitoring Report covering Board Policies D-05 (Donor Rights) and D-10 (Gift Acceptance) be accepted as presented.”

Motion Carried – Resolution #1707

3. Financial Monitoring Report

Mr. Porter noted there were two reports provided due to the cancellation of the December meeting. He added that the portfolio continues to grow in all categories, with the endowments forming the largest portion.

D. MONITORING

1. Financial Monitoring Report (continued)

Continuing, Mr. Porter reported that the liquidation of assets during the transition from Highstreet Asset Management to Gordon Foyston and Payne (GFP) resulted in a realized loss of \$339,000 for the Foundation. He added that additional information will be reported under Item E.3 (Investment Committee Update).

There being no questions, it was:

Moved by: David Atkinson
Seconded by: George Baran

“THAT the Board accepts the Financial Monitoring Report as presented.”

Motion Carried – Resolution #1708

E. LINKAGES

1. Board of Governors' Update

Ms. Finlayson reported that she attends Board of Governors' meetings monthly as a Foundation Board Observer, and highlighted the College's Strategic Enrolment Management (SEM) initiative, which is a comprehensive process to ensure Fanshawe is offering appropriate programs and resources to meet the needs of students and employers in the future.

2. Alumni Board Update

The Executive Director introduced the Alumni and Development staff members in attendance. She continued by noting that the Alumni Board is co-hosting a reception for Paul Haggis in Toronto tomorrow, and will hold a reception for Music Industry Arts Alumni in Toronto on March 11, were they will announce a new bursary in memory of Angus Mackay, founder of Ready Records.

3. Investment Committee Update

Mr. Porter noted that the January month end resulted in a year-to-date gross return of 6.5%, with an additional \$100,000 being added to the portfolio. He continued by noting that highlights of the College's Investment Policy are provided for the Board's information on the back of the 'Investment Portfolio' documents provided in the written report of the Financial Monitoring Report, and there have been no changes to the investment principles following the transition to Foyston Gordon & Payne Inc. (FGP).

E. LINKAGES

3. Investment Committee Update (continued)

Continuing, Mr. Porter reported that the Investment Committee has discussed the 'reasonable rate of return' as noted in their policy, and has been developing primary and secondary objectives to provide clarity.

Discussed ensued, and it was noted that benchmarking to the markets is a fundamental means of measuring FGP's performance, noting that their performance for both quarters has been slightly below the benchmark. Following a suggestion, it was agreed that a comparison to the benchmark will be included in future reports.

F. ORIENTATION

1. Chair's Report

Chair Kinlin reported on his attendance at a number of events since the last meeting as follows:

- November 2 Community Breakfast with London Chamber of Commerce Board of Directors
- November 5 London Campus Graduation (Gerald Fagan was presented with an Honorary Diploma)
- November 9 Fall Bursary Presentation Ceremony
- November 18 Distinguished Alumni Awards Dinner
- December 14 Holiday Board Dinner
- February 5 Fanshawe College Gala

Continuing, the Chair noted that Ms. Finlayson will be making a presentation to the Executive of the Boston Pizza Foundation in Toronto to illustrate how we created our values.

2. Executive Director's Report

a) Fanshawe College Foundation Fundamentals

Referring to her written report, Ms. Finlayson highlighted some new gifts, and encouraged Directors to attend upcoming events. She added that any gifts donated to general bursaries will be matched at a ratio of up to 3:1 through the Ontario Student Opportunity Trust Fund from now until March 31st.

F. ORIENTATION

2. Executive Director's Report (continued)

b) Strategic Overview

With the aid of a PowerPoint presentation, Ms. Finlayson provided complimentary information to the written report as follows:

- the Foundation's mission, vision and values are clearly articulated in policy
- staff are committed to the values identified in policy, with positive testimonials received from the community for such events as the Gala and Golf Classic
- Strategic Directions and Progress:
 - Pursue Excellence in Teaching and Learning
 - Encourage and Enhance Student Success
 - Engage in Applied Research and Scholarly Activity
 - Foster a Workplace Where Employees are Proud to Contribute and Grow
 - Engage the Support of Community Partners and patrons
 - Support Strategic Growth in Current and New Markets both Domestic and International
- Building the Foundation for Future Success
 - new Major Gift Coordinator added to team
 - alumni engagement enhanced with merger of Development and Alumni Offices
 - donor and volunteer engagement enhanced through stewardship program
 - major campaign planned for 2011

In closing, Ms. Finlayson thanked the Board for its support and commitment to Fanshawe College, the Foundation and to student success.

No questions being noted, it was:

Moved by: David Atkinson

Seconded by: Andy Spriet

“THAT the Executive Director's Strategic Overview Report be accepted as presented.”

Motion Carried – Resolution #1709

F. ORIENTATION

2. Executive Director's Report (continued)

It was subsequently:

Moved by: Donna Bourne
Seconded by: Josh Levite

“THAT the Executive Director's Report be received as presented.”

Motion Carried – Resolution #1710

Following clarification, it was determined that the 'Property Matter', which was originally scheduled to be discussed in-camera in December, was no longer necessary, and the meeting proceeded in the public session.

3. Fanshawe School of Applied and Performance Arts

Following a brief introduction and distribution of the 'Business Plan for Fanshawe School of Applied and Performance Arts 2010-2020', Ms. Hull reported the plan represents a scaled-down project with the community, which is feasible, reasonable and fiscally prudent. She added that if Fanshawe is successful in securing the City of London's support tomorrow, the College is positioned to move forward with property acquisitions as previously approved by the Board of Governors.

Continuing, Ms. Hull noted that it is hoped that the School will be open for September 2012 with new program offerings such as Costume Design, Technical Production and Digital Media. She noted that one advantage of the project is that Fanshawe has the flexibility to add new phases as monies become available.

Discussion ensued with the following being noted:

- the College is committed to arranging focus groups to discuss various features of the facilities, but the legal responsibilities will remain with the Board of Governors
- Fanshawe has been actively seeking property for the past six months, with options currently on two properties
- several Directors cautioned the College on acquiring heritage properties due to long-term maintenance and expenses, but it was noted that the City is generally more interested in the facade of a building, than the inside

Referring to page 23 of the handout, Ms. Finlayson noted that the project phases were based on our capacity to fund raise and sets the vision for a new capital campaign. She asked for the Foundation's commitment in working together with volunteers to secure the funds in order to make this campaign a success.

F. ORIENTATION

3. Fanshawe School of Applied and Performance Arts (continued)

Chair Kinlin added that this will be a \$50 million campaign to start in the fall, and he has been asked to sit as Campaign Chair. It was noted that Ms. Finlayson will lead this campaign.

In closing, Ms. Hull thanked the Foundation for its support, and invited Board Members to attend the presentation to City Council on February 10 at 4:00 p.m. in the Council Chambers.

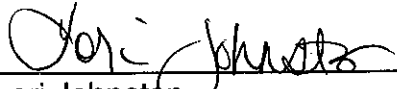
I. ADJOURNMENT

There being no further business, it was:

Moved by: Andy Spriet
Seconded by: Josh Levite

“THAT the meeting be adjourned at 9:31 a.m.”

Motion Carried – Resolution #1711



Lori Johnston
Board Secretary



Larry Kinlin
Board Chair