

Open Board of Governors

Algoma University - Board of Governors

Virtual Meeting

2025-01-27 17:45 - 18:20 EST

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1. MEMBER'S MEETING (VIRTUAL MEETING)

1.1. Call to Order

1.2. Declaration of Conflicts of Interest

1.3. Appointment of External Governors

1.3.1. Margaret Mah

This candidate has been recommended for appointment by the Governance Committee. MOTION: That the Board of Governors appoint Margaret Mah as an External Member from January 27, 2025 to June 30, 2027, subject to a satisfactory criminal records check as per policy.

1.3.2. Kate Lamb

This candidate has been recommended for appointment by the Governance Committee. MOTION: That the Board of Governors appoint Kate Lamb as an External Member from January 27, 2025 to June 30, 2027, subject to a satisfactory criminal records check as per policy.

1.4. Termination of Member's Meeting

MOTION : That the Member's Meeting be terminated.

2. CALL TO ORDER - OPEN SESSION (VIRTUAL MEETING)

2.1. Acknowledgement of Traditional Territories

2.2. Chair's Opening Remarks

2.3. Declarations of Conflicts of Interest

3. CONSENT AGENDA

MOTION : That all items listed under the 'Consent Agenda' be approved as recommended.

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3.5. APPROVAL OF MOTIONS MADE IN CLOSED SESSION

MOTION : That the Board approve the motions made in the closed session.

4. REPORT FROM THE PRESIDENT.....13

The report is provided in advance of the meeting for information.

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5. PRESENTATIONS - N/A

6. BUSINESS ARISING - N/A

7. ITEMS FOR DECISION / DISCUSSION

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MOTION: that the Board of Governors approve the revisions to the Reserve Management Policy as recommended by the Risk & Finance Committee.

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8. NEW BUSINESS - N/A

9. INFORMATION ITEMS - N/A

10. TERMINATION

MOTION : That the Board of Governors meeting be terminated.



Open Board of Governors Minutes

Algoma University - Board of Governors
11/25/2024 6:30 PMEST
@ Virtual Meeting Only

Attendance

Present:

Members: Arjun Batra (remote), Robert Battisti (remote), Domanique Camara (remote), Jonathon Cutz (remote), Ian Grant (remote), Sonja Kosuta (remote), Rajat Marwah (remote), Jake Giacomo Pastore (remote), Minion Paul (remote), Paul Quesnele (remote), Mario Turco (remote), Asima Vezina (remote)

Guests: Craig Fowler (remote), Kramer Rousseau (remote)

Secretariat Office : Faviola Graceni (remote), Shannon Kelly (remote), Nadya Ladouceur (remote)

Absent:

Members: Cecilia Bruno, Kelli-Ann Lemieux, Taylor Sayers

1. CALL TO ORDER (Presenters: Robert Battisti)

In the absence of Kelli-Ann Lemieux, Board Chair, Robert Battisti, Vice-Chair, acted as meeting Chair and called the meeting to order at 6:30 pm.

1.1. Acknowledgement of Traditional Territories

As the Board of Governors began in a Closed Session for this meeting, an acknowledgement of traditional territories was provided in that session to commence the meeting.

1.2. Chair's Opening Remarks

The Vice-Chair recognized the work done by the Board of Governors over the year with the support of the senior team administration and reminded Governors of upcoming holiday social events.

1.3. Declarations of Conflicts of Interest

None declared.

2. CONSENT AGENDA (Presenters: Robert Battisti)

Motion:

That all items listed under the 'Consent Agenda' be approved as recommended.

Motion moved by Domanique Camara and motion seconded by Mario Turco.

Carried with three abstentions.

- 2.1. OPEN Agenda for Board Meeting
- 2.2. OPEN Minutes for Previous Meetings
 - 2.2.1. August 21, 2024 - Open Minutes
 - 2.2.2. September 26, 2024 - Open Minutes
 - 2.2.3. October 1, 2024 - Open Minutes
 - 2.2.4. Member's E-Vote: Non-Teaching Staff Governor, Jonathon Cutz
 - 2.2.5. Member's E-Vote: Student Governor (SASA), Domanique Camara
 - 2.2.6. E-Vote: Interim Chair of Governance Committee
- 3. APPROVAL OF MOTIONS MADE IN CLOSED SESSION (Presenters: Robert Battisti)

Motion:

To approve the motions made in the Closed Session.

Motion moved by Minion Paul and motion seconded by Arjun Batra. Carried.

- 4. REPORT FROM THE PRESIDENT (Presenters: Asima Vezina)

The President presented on the University's future and mission (leading meaningful change for generations to come) by highlighting recent activities and accomplishments including: fall community engagement activities, new partnerships being explored with GTA colleges and interest from two new Indigenous institutes to explore pathways to degree programs, community engagement sessions for the masters in Psychotherapy, record-breaking donations at the John Rhodes Scholarship dinner, and the digital marketing campaign, My Mission, which won five gold medals at the 12th Annual Education Digital Marketing Awards.

The Vice-Chair noted the University's resilience and the importance of continuing to work together to maintain the University's long-term vision. The Chancellor invited everyone to review the Special Mission section of the website that includes new content related to what the Special Mission means to students.

- 5. PRESENTATIONS - N/A
- 6. BUSINESS ARISING - N/A

7. ITEMS FOR DECISION / DISCUSSION

7.1. Board Meetings Policy and Procedures (Presenters: Paul Quesnele, Sonja Kosuta)

Motion:

That the Board of Governors, on the recommendation of the Governance Committee, approve the revised BO5 Board Meeting Policy and related documents, as well as the subsequent retirement of the following policies:

- BO4 Board Agenda Development Policy;
- BO7 Policy for E-Voting;
- BO10 Policy for Board Attendance.

Motion moved by Arjun Batra and motion seconded by Domanique Camara.
Carried with two abstentions.

The Chair of the Governance Committee reminded the Board of the extensive review of the By-laws to bring them in line with the Ontario Non-for-Profit Act (ONCA), and noted that the presented policy revisions were made in alignment with the revised By-laws and had been thoroughly discussed and reviewed by the Governance Committee with support from the Secretariat Office.

The meeting chair expressed that the proposed policy revisions, including the consolidation of existing processes, would help continue to build strong Board governance practices.

7.2. Risk & Finance Committee Restructure: Audit, Risk & Compliance Committee and Finance, Investments & Property Committee (Presenters: Robert Battisti, Paul Quesnele)

The Chair of the Risk and Finance Committee introduced the three motions related to this item and the Secretary noted that it was an iterative process that took place over several months with opportunities for Board and Committee feedback.

Motion:

That the Board of Governors, on the recommendation of the Risk and Finance Committee, dissolve the Risk & Finance Committee effective January 1, 2025 and its functions be divided into two separate Committees: the Audit, Risk & Compliance Committee and the Finance, Investments & Property Committee.

Motion moved by Rajat Marwah and motion seconded by Sonja Kosuta. Carried with one abstention.

Motion:

That the Board of Governors approve the Audit, Risk & Compliance Committee Terms of Reference as recommended by the Risk & Finance Committee.

Motion moved by Rajat Marwah and motion seconded by Sonja Kosuta. Carried with one abstention.

Motion:

That the Board of Governors approve the Finance, Investments & Property Committee Terms of Reference as recommended by the Risk & Finance Committee.

Motion moved by Minion Paul and motion seconded by Rajat Marwah. Carried with one abstention.

- 7.3. Revised Board-Senate Liaison Committee Terms of Reference (Presenters: Paul Quesnele, Robert Battisti)

The Secretary noted that the Board Senate Liaison Committee met in November and worked to review the differences between the Board and Senate's versions of the Committee's Terms of Reference and recommend revisions to align such. It was expressed that this version would also go to Senate for approval.

Motion:

That the Board of Governors, on recommendation of the Board-Senate Liaison Committee, approve the revised Terms of Reference for the Board-Senate Liaison Committee.

Motion moved by Jonathon Cutz and motion seconded by Arjun Batra. Carried with one abstention.

- 7.4. Audited Statements (Presenters: Kramer Rousseau, Interim Vice-President Finance and Operations)

K. Rousseau presented the consolidated financial statements for 2023-2024, noting that KPMG issued a clean audit and that overall the results indicated the financial stability of the University.

Motion:

That the Board of Governors approve the Draft Financial Statements for the year ended April 30, 2024 as recommended by the Risk & Finance Committee.

Motion moved by Rajat Marwah and motion seconded by Jake Giacomo Pastore. Carried with one abstention.

K. Rousseau provided an overview of the Algoma University Pension Plan Financial Statements noting an overall increase in net assets over the year.

Motion:

That the Board of Governors approve the June 30, 2024 Algoma University Pension Plan Financial Statements as recommended by the Risk & Finance Committee.

Motion moved by Robert Battisti and motion seconded by Mario Turco. Carried with one abstention.

8. NEW BUSINESS

8.1. Board Membership Changes (Presenters: Robert Battisti, Paul Quesnele)

8.1.1. Welcoming New Board Members

The meeting Chair welcomed three new Board members: Ian Grant as an external member of the Board, Jonathan Cutz as a non-teaching staff member and Domanique Camara as a student member from the Shingwauk Anishinaabe Students' Association.

8.1.2. Recognition of Board Member Service

The meeting Chair recognized Governor Cecilia Bruno for her three years of service on the Board of Governors from December 2, 2021 to December 1, 2024, as a Lieutenant Governor in Council appointee. C. Bruno was recognized as an active member of the Risk & Finance Committee with strong financial acumen and was thanked for her time, effort, expertise and willingness to engage at the Board table.

9. INFORMATION ITEMS

9.1. CSAA Message to AU Community RE: Orange Shirt Day

9.2. Council of Ontario Universities Statement - Impact of Federal Changes to International Student Study Permits

10. Termination (Presenters: Robert Battisti)

Motion:

That the Board of Governors meeting be terminated at 7:03 pm.

Motion moved by Minion Paul and motion seconded by Arjun Batra. Carried.

Board E-Vote: Election of Internal Governors Policy and Procedures

Approval Details

Motion: Ian Grant
 Second: Kelli-Ann Lemieux

Open Date: 12/12/2024 5:34 PM EST
 Close Date: 12/20/2024 3:10 PM EST

Approval Description

MOTION: That the Board of Governors, on the recommendation of the Governance Committee, approve the Policy on Board Election of Internal Governors and related documents.

Approval Results

Vote **Passed**

- 12/13 (**92.31%**) Voted “Yes”.
- 1/13 (**7.69%**) Voted “No”.
- 0/13 (**0%**) Voted “Abstain”.
- 0/13 (**0%**) No vote placed.

Voter	Final Vote	Electronic Vote Date	Signature
Taylor Sayers	YES	12/19/2024	
Minion Paul	NO	12/19/2024	
Asima Vezina	YES	12/18/2024	
Mario Turco	YES	12/17/2024	
Domanique Camara	YES	12/17/2024	
Sonja Kosuta	YES	12/16/2024	
Rajat Marwah	YES	12/16/2024	
Robert Battisti	YES	12/14/2024	
Arjun Batra	YES	12/14/2024	

Jonathon Cutz	YES	12/13/2024	
Jake Giacomo Pastore	YES	12/13/2024	
Kelli-Ann Lemieux	YES	12/12/2024	
Ian Grant	YES	12/12/2024	

Board E-Vote: Delay of Risk and Finance Committee Dissolution to End of Cycle

Approval Details

Motion: Jonathon Cutz
Second: Arjun Batra

Open Date: 12/20/2024 4:23 PM EST
Close Date: 1/9/2025 2:22 PM EST

Approval Description

MOTION: To amend the previous motion adopted on November 25, 2024 to replace the effective date of January 1, 2025 with July 1, 2025, resulting in the following:
That the Board of Governors, on the recommendation of the Risk and Finance Committee, dissolve the Risk & Finance Committee effective July 1, 2025 and its functions be divided into two separate Committees: the Audit, Risk & Compliance Committee and the Finance, Investments & Property Committee.

Approval Results

Vote **Passed**

12/13 (**92.31%**) Voted “Yes”.

0/13 (**0%**) Voted “No”.

1/13 (**7.69%**) Voted “Abstain”.

0/13 (**0%**) No vote placed.

Voter	Final Vote	Electronic Vote Date	Signature
Minion Paul	ABSTAIN	1/8/2025	
Rajat Marwah	YES	1/7/2025	
Jake Giacomo Pastore	YES	1/7/2025	
Taylor Sayers	YES	12/29/2024	
Sonja Kosuta	YES	12/23/2024	
Ian Grant	YES	12/23/2024	

Domanique Camara	YES	12/23/2024	
Mario Turco	YES	12/22/2024	
Robert Battisti	YES	12/21/2024	
Asima Vezina	YES	12/20/2024	
Kelli-Ann Lemieux	YES	12/20/2024	
Arjun Batra	YES	12/20/2024	
Jonathon Cutz	YES	12/20/2024	



Algoma UNIVERSITY



PRESIDENT'S REPORT TO THE BOARD OF GOVERNORS

JANUARY 2025

PRESIDENT'S MESSAGE



The winter term and the new year are off to a great start at Algoma U. 2025 is shaping up to be an exciting year for new projects and initiatives, including the groundbreaking for Makwa Waakaa'igan, which will almost double the classroom space of the East Wing and provide new research and archival spaces for healing and reconciliation-focused work. Faculty and staff focused on Indigenization efforts, as well as cross-cultural teaching and learning, will soon have a facility dedicated to supporting their work. We will also see faculty and researchers opening the newly renovated Animal Care Facility and Containment Level 2 (CL2) laboratory, a \$6 million investment to expand science programming and research.

In 2025, the Visual Arts program at Algoma will move into a newly renovated space. Meanwhile, the Dean of Science is actively overseeing the design phase of a new facility in the Convergence Centre (CC) to accommodate the growing needs of the Psychology program. Additionally, there continues to be strong community support for the upcoming Master's program in this field.

Algoma University remains dedicated to protecting core programming within the Liberal Arts and Sciences model of university education. I am proud of the University's collaborative work with the Board of Governors (Board) to develop a robust risk management framework that will ensure we remain adaptive and resilient in the face of significant challenges facing post-secondary institutions. To this end, I have dedicated the first section of my report to the Board to this important initiative.



Risk Landscape Development

The team is making excellent progress strengthening Algoma University's risk management framework. This critical initiative is being led by Ilham Punjani, Chief of Business Transformation, Strategy and Sustainability, and the Business Transformation Office (BTO) for Algoma's Board.

I would like to thank the Board for their work during their November retreat, during which Phase One of the creation of Algoma's new risk management framework was completed. Specifically, based on feedback from the Board, a comprehensive policy and risk universe were developed, encompassing strategic, operational, financial, regulatory, and reputational risks. Completing this first phase is significant because it aligns our risk management practices with Algoma's strategic and operational goals.

I am pleased the team is now progressing into Phase Two, which focuses on translating these foundational elements into practical tools and metrics. By the end of this fiscal year, we aim to establish a robust framework that enhances decision-making through a new Risk Management Dashboard and Key Risk Indicators. The final phase, Phase Three, will focus on embedding the risk management framework into the University's daily operations through training and active stakeholder engagement. I would like to thank the BTO and the Board for leading this important initiative.

Campus Master Plan

The Brampton Campus Master Plan is a milestone marking the launch of a strategic process to shape the future of our Brampton campus, aligning it with Algoma's long-term vision and the evolving needs of our students, faculty, staff, and community.

While we face short-term instability across the university sector, the Master Plan will outline a 20-year framework for the campus's growth, addressing current space needs while anticipating future demands in one of the fastest-growing and youngest Canadian cities, which is already approaching one million people. It is a bold step forward in supporting our ambitious expansion plans.

Key objectives of the Campus Master Plan include:

- Creating a welcoming, walkable, and distinctive campus in downtown Brampton;
- Prioritizing essential academic facilities to meet both immediate and long-term needs; and
- Ensuring the campus meets the expectations of both domestic and international students.



The draft also considers critical factors such as zoning, land use, heritage preservation, transportation, and real estate opportunities. Following Board approval of the initial work, the team, under the leadership of Vice-President of Growth, International & External Relations, Craig Fowler, will be conducting consultations across Algoma U and the wider community.

Planning for the next budget year

As we approach the 2025–26 budgeting cycle, Algoma continues to consider a number of budget scenarios. While we face a period of financial uncertainty, I want to reassure you that Algoma remains in a stable financial position, which we will protect by incorporating strategies and measures into the 2025–26 Budget to ensure long-term financial sustainability.

In January 2025, the finance team will begin working with the Risk and Finance Committee and the Board of Governors to complete the 2025–26 Budget, including Algoma’s operating and capital budgets. The senior executive team and budget holders will work through January and February to develop their draft budgets and present them to the Risk and Finance Committee for review and feedback in March. The final 2025–26 Budget presentation for the Board’s approval will take place in April 2025.

Indigenization, Equity, Diversity, and Inclusion (IEDI)

Algoma is taking essential steps to successfully embed IEDI policies and frameworks across all of our University’s systems, structures, and functions. I am proud to report that Algoma recently launched our Equity, Diversity, and Inclusion (EDI) Strategy and conducted an IEDI policy review led by Higher Education Strategy Associates and our EDI team. This initiative underscores Algoma’s dedication to addressing systemic and institutional discrimination and fostering transparency and accountability. I would like to thank Jane Omollo, Equity, Diversity, and Inclusion Director, and her entire EDI team for their work on this incredibly important initiative.

Our EDI Strategy will also ensure that Algoma is well-positioned to respond to the new Strengthening Accountability and Student Supports Act 2024. The legislation allows for ministerial directives to be issued to publicly assisted colleges and universities on topics such as student mental health, as well as policies and rules to address and combat racism and hate, including but not limited to anti-Indigenous racism, anti-Black racism, anti-Semitism, and Islamophobia.



Algoma is proactively reviewing several policies and rules to ensure they are aligned with the new legislation, including:

- Student Code of Conduct (Non-Academic);
- Healthy Workplace Policy;
- Human Rights Policy;
- Workplace Violence and Harassment Policy;
- Sexual Violence Policy; and
- The EDI sections of the Public Accountability and Transparency Requirements.

Furthermore, Patty Chabbert, Acting Vice-President-Nyaagaaniid - Anishinaabe Initiatives, Equity & Decolonization, and Dave Trudelle, Associate Vice-President Student Affairs, have undertaken the creation of a comprehensive Conflict Management Plan with standard operating procedures for protest management, ensuring alignment with our robust EDI Strategy and policy framework. I continue to be proud of the work Algoma is doing to strengthen our IEDI commitment and ensure it is reflected in everything we do.

Recent Highlights

Please join me in congratulating Dr. Deb Woodman, who has been promoted to Associate Professor; Dr. Sean Meades, who has been granted tenure; and librarian candidate Lisl Schoner-Saunders, who was also granted tenure, as recommended to the President by the Peer Review Committee. All promotions will become effective July 1, 2025. I know this is a big moment for all of you, and it was wonderful to share in your celebration.

In December, Istvan Imre, Associate Vice-President, Academic and Continuing Education, and I had the honour of hosting Algoma's Speaker of the Senate, Dr. Nikki Shaw, for a day on the Brampton campus. During her visit, Dr. Shaw met many students, staff, and faculty. We had the opportunity to discuss and visit different project locations, including a new building renovation for social work and psychology, the mental health institute, the future student residence, and ongoing improvements to the campus. This visit also facilitated engaging conversations about Algoma's impact in the City of Brampton, with key stakeholders such as Chief Executive Officer of the Brampton Board of Trade, Jaipaul Massey-Singh, and Vice-President at Kallo Developments, Tom Kanellopoulos. Denise McClure and Sandy Soliman were also there from the Economic Development division of the City of Brampton. Thank you, Dr. Shaw, for your visit!

I am thrilled to report that Algoma University researchers have received funding from the Ontario Research Fund - Research Infrastructure (ORF-RI), supporting groundbreaking research led by Dr. Isabel Molina and Dr. Bill Dew. This funding highlights the critical role of investment in cutting-edge research and state-of-the-art equipment to drive innovation in crucial fields.



Algoma University marked December's Giving Tuesday by joining the global movement of generosity and launching a transformative year-long campaign, Behind Every Success, to support students. The campaign builds on Algoma's commitment to student success by supporting initiatives under the Student Support Fund, such as the Food Pantry, the Equity and Pride Centre, and the Algoma University Student Union Emergency Fund, designed to provide immediate financial assistance to students facing unexpected or extraordinary circumstances.

Finally, I am pleased to report that Algoma's December Forums served as an important platform to share critical updates, address challenges, and foster open dialogue with faculty and staff. A total of three Forums were held across all three of our campuses. The December Forums featured a comprehensive agenda that included financial updates, specifically focusing on budget preparations for 2025, as well as new capital projects. Updates from People & Culture highlighted professional development initiatives and the recent criteria for controlled hiring. The Registrar's Office provided valuable insights on winter semester readiness, Algoma's Student Information System, and the department's future vision.

The Forums were well-attended, and conversations were productive – great questions were asked by faculty and staff. I would like to thank everyone who participated and express my gratitude to those who helped make the December Forums a great success.

As we head into the new year, I wish you all a successful and joyful winter term and look forward to our conversations and continued success in this new year.

Chi-miigwech, merci, and thank you for all you do for Algoma U.



Asima Vezina, PhD
President and Vice-chancellor



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Reserve Management Policy Revisions

Open Agenda: 27 JAN 2025

PURPOSE:

PREPARED BY:

Approval

Discussion

Information

Kramer Rousseau, Interim Vice President, Finance and Operations

1.0 ACTION

MOTION: That the Board of Governors approve the revisions to the Reserve Management Policy as recommended by the Risk & Finance Committee.

2.0 EXECUTIVE SUMMARY

The Board of Governors is being asked to approve the proposed revisions to the Reserve Management Policy. The Risk & Finance Committee provided feedback to establish the proposed revisions and has recommended such for Board approval.

In March 2021 the Board of Governors approved the Algoma University Reserve Management Policy. The policy was developed based on best practices from across Public Universities in Ontario as well as the financial benchmarking metrics used by the Ministry of Colleges and Universities (MCU). At the time of approval Algoma University had a total reserve balance of \$10.8M with total operating expenses of \$41.2M.

Since March 2021 the internally restricted reserve balance has grown to over \$146M and with new capital requirements being considered, a review of the Reserve Management Policy is required.

3.0 ALIGNMENT WITH UNIVERSITY STRATEGY

This item is aligned with the following Strategic Direction(s) from the [2023-2026 Strategic Plan](#):

#4: Continue to Build Inclusive and Inspiring Teaching, Learning, and Working Environments ▾

4.0 ANALYSIS

Based on the analysis and discussions of the Risk and Finance Committee, the revised Reserve Management Policy incorporates the following changes:

- Increasing the Operating Reserve Ratio from **30 to 90** days which aligns with the Financial Accountability Framework set by the Ministry of Colleges and Universities (MCU).
- The Future Capital Reserve be divided into three categories as follows:
 - Committed Future Capital - which include:
 - Total of major capital projects which would be expended over multiple years which the Board has approved
 - The Capital Budget approved by the Board of Governors including non-major capital expenditure which do not require separate Board of Governors approval.
 - Real Estate Acquisition - based on a calculation of a **25%** of the Total Future Capital Reserve less Committed Future Capital

- Uncommitted Capital equal to the Total Future Capital Reserve less Committed Future Capital and Real Estate Acquisition

The current policy is based around three key principles and is split into three categories as follows:

Principles	Reserve Funds
Operating Stability	Operating Reserve
Future Planning	Future Capital Reserve
Transparency	Other Reserve Appropriations

The key item that dictates the allocation is the minimum required operating reserve which is established to provide an internal source of funds to mitigate against unusual or unexpected expenses that could impact operations. The current calculation is maintaining a balance based on having 30 days of the following year's operating budget. Any difference between the amount required in the operating reserve can then be allocated to the future capital or other reserves.

Number of Days - Primary Reserve <i>Amounts in thousands of dollars</i>	30	60	90
Operating	\$19,212	\$38,425	\$57,637
Capital	125,788	106,575	87,363
Total	\$145,000	\$145,000	\$145,000

Future Capital Reserve

The current language in the Reserve Management Policy does not provide guidance to the type of capital spend the amounts are being set aside for.

It is recommended that the Reserve Management Policy include further detail on allocation of the Future Capital Reserve in order to guide the amount available for real estate acquisition. The amount available for this will be impacted by any changes made to the allocation of the Operating Reserve as described above.

The general recommendation is to split the Future Capital Reserve into the following sub-categories:

- Committed Future Capital - which include:
 - Total of major capital projects which would be expended over multiple years
 - The Capital Budget approved by the Board of Governors (this would exclude major items included in the Capital Budget which require separate Board of Governors Approval and have yet to be approved)
- Real Estate Acquisition - based on a calculation of a percentage of the Total Future Capital Reserve less Committed Future Capital
- Uncommitted Capital equal to the Total Future Capital Reserve less Committed Future Capital less Real Estate Acquisition

5.0 RISK IMPLICATIONS

With uncertainty in future enrolment due to the IRCC announcement, the conservative approach would be to adjust the Operating Reserve Requirement to 90 days which also aligns with the Revised Financial Accountability Framework. Increasing this requirement from the current 30 days would then lower the amount available for Future Capital Reserve including Real Estate Acquisition.

Another risk is not having a sufficient reserve for Real Estate Acquisition which could lead to missed opportunities and continued reliance on leased space.

6.0 ATTACHMENTS

1. Reserve Management Policy - Current
2. Reserve Management Policy - Tracked Changes

Reserve Management Policy

Category:	Finance
Number:	FI10
Responsibility:	Finance Committee
Approval:	Board of Governors, March 31, 2021
Review:	Annually
Amendments:	Every 3 years or as circumstances warrant

Purpose

The purpose of the policy is to set our principles and thresholds for establishing various reserve funds to ensure the long term financial sustainability of Algoma University (“University”). Effective financial planning and management of reserve funds will provide greater financial flexibility and mitigate against unknown factors which could impact the University’s operations.

Principles

All reserve funds established by the University will be aligned with the following principles:

- **Operating Stability** - Mitigate against the risk of external factors which could jeopardize the University’s operations.
- **Future Planning** - Provide funding for future capital projects to meet the changing needs of the University’s students.
- **Transparency** - Reserves to be established by following the approach outlined in this policy.

Policy

Operating Reserves

The Operating Reserve is intended to provide an internal source of funds to mitigate against unanticipated, unusual or unexpected expenses which could impact the University's operations.

In order to maintain ongoing operations, the minimum balance of the Operating Reserve shall be 30 days of the following year's operating expenses as approved by the Board of Governors in the annual budget. It will be calculated as the Expendable Net Assets over Total Expenses of the following year's approved budget multiplied by 365 days

In the event that the Operating Reserve cannot meet the threshold, a review of the University's net assets will be required from the Finance Committee.

An unexpected decrease in Operating Reserve may arise based on unplanned economic events. In that case, the operating deficit or reduction of Operating Reserves, must be accompanied by a plan to replenish the reduction.

Future Capital Projects Reserves

The Future Capital Reserve is intended to provide an internal source of funds for the University's capital priorities. These funds can be used to either fully fund or to compliment either external funding or financing.

The balance of the Future Capital Reserve fund will be based on an annual review of the University's financial position, future capital planning including possibly funding or financing.

Withdrawals from the Future Capital Reserve must be approved by the Board of Governors.

Other reserve appropriations

Subject to oversight by the Finance Committee, the University may establish other reserve funds (both operating and capital). These may include academic, ancillary or administrative units to carry-forward unspent budget balances for specific purposes.

Any reserve allocation must be accompanied by a clearly defined criteria to ensure

transparency and proper utilization of the reserve funds.

Process

As part of the approval of the audited financial statements, the reserve balances will be reviewed by the Finance Committee and calculated in accordance with this policy.

REDLINE

Reserve Management Policy

Category:	Finance
Number:	FI10
Responsibility:	Finance Committee Risk and Finance Committee
Approval:	Board of Governors, March 31, 2024 January 27, 2025
Review:	Annually
Amendments:	Every 3 years or as circumstances warrant

Purpose

The purpose of the policy is to set our principles and thresholds for establishing various reserve funds to ensure the long term financial sustainability of Algoma University (“University”). Effective financial planning and management of reserve funds will provide greater financial flexibility and mitigate against unknown factors which could impact the University’s operations.

Principles

All reserve funds established by the University will be aligned with the following principles:

- **Operating Stability** - Mitigate against the risk of external factors which could jeopardize the University’s operations.
- **Future Planning** - Provide funding for future capital projects to meet the changing needs of the University’s students.
- **Transparency** - Reserves to be established by following the approach outlined in this policy.

Policy

Operating Reserves

The Operating Reserve is intended to provide an internal source of funds to mitigate against unanticipated, unusual or unexpected expenses which could impact the University's operations.

In order to maintain ongoing operations, the minimum balance of the Operating Reserve shall be ~~30~~ 90 days of the following year's operating expenses as approved by the Board of Governors in the annual budget. It will be calculated as the Expendable Net Assets over Total Expenses of the following year's approved budget multiplied by 365 days.

In the event that the Operating Reserve cannot meet the threshold, a review of the University's net assets will be required from the ~~Finance Committee~~ Risk and Finance Committee.

An unexpected decrease in Operating Reserve may arise based on unplanned economic events. In that case, the operating deficit or reduction of Operating Reserves, must be accompanied by a plan to replenish the reduction.

Future Capital Projects Reserves

The Future Capital Reserve is intended to provide an internal source of funds for the University's capital priorities. These funds can be used to either fully fund or to compliment either external funding or financing.

The balance of the Future Capital Reserve fund will be based on an annual review of the University's financial position, future capital planning including possibly funding or financing.

Withdrawals from the Future Capital Reserve must be approved by the Board of

Governors.

The Future Capital Projects Reserve is divided into three sub-categories, calculated as follows:

1. Committed Future Capital - equal to the amount of capital expenditure approved by the Board of Governors that has yet to be expended.
2. Real Estate Acquisition - to not exceed **25%** of Future Capital Reserve less the Committed Future Capital
3. Uncommitted Future Capital - equal to the Committed future capital less the Real Estate Acquisition.

Other reserve appropriations

Subject to oversight by the ~~Finance Committee~~ **Risk and Finance Committee**, the University may establish other reserve funds (both operating and capital). These may include academic, ancillary or administrative units to carry-forward unspent budget balances for specific purposes.

Any reserve allocation must be accompanied by a clearly defined criteria to ensure transparency and proper utilization of the reserve funds.

Process

As part of the approval of the audited financial statements, the reserve balances will be reviewed by the ~~Finance Committee~~ **Risk and Finance Committee** and calculated in accordance with this policy.

2025-26 Budget Principles and Guidelines

Open Agenda: 27 JAN 2025

PURPOSE:

PREPARED BY:

Approval

Discussion

Information

Kramer Rousseau, Interim Vice President Finance and Operations

1.0 ACTION

This report is for information only.

2.0 EXECUTIVE SUMMARY

The 2025-26 budget principles and guidelines were built based on the principles and guidelines from the 2024-25 budget. Some changes to highlight from the previous year include:

- **Principle One** - Shifting from zero-based budgeting to incremental based budgeting methodology to better address the uncertainty related to international student enrolment and tuition revenue.
- **Principle Nine** - 2024-25 was the first year that Academic Initiatives were funded through the RCM model and allocation. With the financial uncertainty in the near future, the callout for additional academic initiatives has been put on hold. All initiatives already awarded will continue as planned.
- **Principle Twelve** - Due to the restrictions on international students imposed by Immigration, Refugees and Citizenship Canada (IRCC) both project management and business postgraduate certificates have been sunsetted. These two programs accounted for a majority of international student enrolment in the last two years. The full impacts of the closure of these programs will not be fully realized until 2027-2028 therefore additional impact analysis will be completed as part of this budget that shows more detailed forecast over the following three years.

3.0 ALIGNMENT WITH UNIVERSITY STRATEGY

The Budget Principles and Guideline ensure that the 2024-25 Budget is structured to align with all of the [2023-2026 Strategic Plan](#) priorities:

#1: Lead Transformative, Cross Cultural Learning in a Quality University Experience ▾

#2: Learn From, In and With Community ▾

#3: Share Our Stories: Past, Present and Future ▾

#4: Continue to Build Inclusive and Inspiring Teaching, Learning, and Working Environments ▾

4.0 ANALYSIS

In preparation of Algoma University's ("University") fiscal 2025-26 budget, management has a set of principles and guidelines that are utilized by the various budget holders across the University.

5.0 RISK IMPLICATIONS

The principles and guidelines for the budget are there to help mitigate the financial risks associated with the budgeting process to help ensure a fiscally sound budget is presented for final approval.

6.0 FINANCIAL IMPLICATIONS

These principles and guidelines help ensure a prudent budgeting process is adhered to before compiling the final budget for Board approval in April 2025.

7.0 ATTACHMENTS

1. 2025-26 Budget Principles and Guidelines

Algoma University (AU) 2025-26 Budget Principles and Guidelines

These principles and guidelines build on the work initiated from the 2024-25 budget process. It incorporates discussions with the senior executive team, and the direction from the provincial government.

Principle One:

In the last four years Algoma University has experienced significant growth and has taken a zero based approach for its budgets. With the uncertainty of international students due to the restrictions implemented by Immigration, Refugees and Citizenship Canada (IRCC), it will be prudent for Algoma University to take a different approach for the 2025-26 budget. As a result the core principle is shifting from **zero based** to **incremental based**. Evaluating the actual spend over the last two years and evaluating where budget decreases can happen will be an important piece of ensuring a balanced budget and controlled expenses.

Budget holders will continue to have the ability to request additional budget amounts and these amounts must be justified and based on key drivers. Any additional budget requests will be analyzed for its value and alignment to the strategic plan. To achieve our mission and vision, AU will continue to work on an **outcomes management framework** with all actions directly tied to its strategic plan 2023-2026 and the performance metrics addressed in the Strategic Mandate Agreement (SMA4) 2025-2030. The four strategic directions and priorities included in the strategic plan are:

- 1) Lead Transformative, Cross Cultural Learning in a Quality University Experience
- 2) Learn From, In and With Community
- 3) Share Our Stories: Past, Present and Future
- 4) Continue to Build Inclusive and Inspiring Teaching, Learning, and Working Environments

Financial projections (operating and capital) for the next four years will be based on an **incremental** budgeting approach with student enrolment as the main driver.

Principle Two:

Government funding will be based on guidelines stated in the SMA4 agreement; domestic tuition rates will be budgeted to remain flat for fiscal 2025-26 and will remain constant until there is a new announcement; all one-time funding will be adjusted to zero. AU will continue to **focus on efficiency and effectiveness improvements** based on evidence-based decision making and improved use of technology.

AU will continue with the work started in fiscal 2020-21 regarding how:

- **LEAN Continuous Improvement Systems** can be incorporated where repetitive, routine tasks currently exist; Finance & Planning and Facilities completed the pilot in 2022 and now a Transformation Office has been developed to further roll out this

initiative to other departments and functions in AU which is being supported by the Efficiency and Accountability Funding.

Principle Three:

All revenues and expenses will be **budgeted on a monthly basis** which will provide greater insight to manage any variances on a timely basis. This will develop the foundation for AU to establish cadence in forecasting the financial results throughout the remainder of the fiscal year. In addition:

- The tracking of the operations for Brampton and Timmins campus will be separate locations.
- The ancillary operations of AU (George Leach Centre, varsity, campus residence, parking lot, student bar) should be self sustainable.

Principle Four:

Salaries and benefits will be provided by People and Culture and will be based on the employee headcount as of the Winter 2025 forecast. Any salary adjustments are based on the terms of the collective agreements. A conservative contingency for new positions is included in the budget and an exercise for organization structure review is in place which requires all new positions to be reviewed and approved by the senior executive team prior to hiring.

Principle Five

Enrolment figures (full time equivalents and headcount) will be based on the five faculties broken down by semester and campus.

In addition enrolment will also be broken out by student type including:

- Domestic,
- First Nation, Metis, Inuit (FNMI)
- International (excluding India)
- International India

By breaking out International India AU will be able to better assess its progress towards the diversification goals of international degree enrolment.

Principle Six:

A capital budget allowance will be established and included in a cash flow forecast to ensure financial sustainability over time. An approval process for accessing capital funds will be established and all **capital expenditures** above a material threshold will be supported by a business case which meets the established criteria. Capital budget allowance for future years will be based on estimates included in the multi-year capital plan and the cash flow forecast.

Principle Seven:

To ensure the long term financial sustainability of AU, the Algoma Leadership Team (ALT) will incorporate the financial management of their portfolios into their **performance objectives**, based on the Board of Governors approved budget. At a minimum, leadership should meet or

exceed their revenue targets and meet or not exceed their expenses without a corresponding increase in revenue.

Principle Eight:

The budget process will have direct **oversight** by Senior Executive and Finance & Planning which will report their progress to the Risk & Finance Committee on periodic intervals. This will be based on an established schedule to ensure the budget is reviewed at the Board of Governors meeting in April 2025.

Principle Nine:

The 2025-26 budget will be broken down by the five faculties in accordance with the Responsibility Centre Management (RCM) model.

RCM is an activity based model intended to promote stronger linkages to academic goals and priorities. The aim of RCM is to improve financial sustainability by emphasizing AU's strengths in teaching, research and services by supporting selected opportunities and innovations.

The actual financial results from the model result in an internally restricted reserve fund, the Academic Strategic Initiative Fund, which faculty members can submit applications for.

Due to the uncertainty related to international enrolment and revenue the call out for proposals for the 2025-26 fiscal year will be put on hold. Initiatives awarded as part of the 2024-25 fiscal year will continue without interruption.

Principle Ten:

To address uncertainty in the assumptions taken to develop the 2025-26 budget, additional scenarios will be developed and analyzed in order to determine financial risk included in the budget. Development of both budget and forecasted scenarios will help management analyze and **mitigate against financial risk** that could impact AU's operations.

Principle Eleven:

To address the findings of the November 2022 Auditor General of Ontario report on the Value-for-Money Audit: Financial Management in Ontario Universities, the budget presentation to the Board will include:

- a) Budgeted tuition revenue by faculty and by campus
- b) Projected cashflows
- c) Budget schedule of Ancillary operations

Principle Twelve:

In January 2024, IRCC introduced restrictions on the number of international student study permits allocated to postsecondary institutions. These restrictions significantly reduced the intake of international students to AU in 2024-25 and restrictions will remain in place for the 2025-26 academic year. The significant and compounding reduction in tuition revenue due to IRCC's ruling will be considered in the 2025-26 budget.

Additionally, in response to the IRCC's restrictions the following programs were sunset in 2024-25:

- AU partnership with Yorkville. The last intake was Winter 2024 and current students are expected to complete their programs by Winter 2026.
- Graduate Certificates in Business. The last intake was Winter 2025 and current students are expected to complete their programs by Winter 2027.

Preparation of the 2025-26 budget will include impact analyses two and three years out given that the impact of the IRCC's decisions will not be fully realized until 2026-27 and 2027-28.