

**McMaster Association of Part-Time Students
Board of Directors Meeting – Minutes
Tuesday November 18, 2008 at 6:30 p.m.
Room WB 112/113, David Braley Athletic Centre, McMaster University**

PRESENT Carole Armstrong, Darlene Hayward, Tina Horton, Jim Huff, Elaine Marion, Rose O'Connor, Cassandra Pohl, Eric Siu, Geraldine Voros, Violet Wakeman-Ajandi, Candace Waterkamp, Allan Wong (chair)

BY PROXY None

ABSENT Hasnat Ahsan, Jeanette Button, Min-Ju Evans, Kate Pratas

STAFF Sam Minniti (Executive Director)

GUESTS David Rennie, part-time student and former MAPS Board member

CONSTITUTION OF THE MEETING

A quorum of directors being present, Wong called the meeting to order.

ATTACHMENTS TO THE OFFICIAL COPY OF THE MINUTES

- University Advancement Pledge Scenarios
- President's Report
- Executive Director's Report

1. ADOPTION OF THE AGENDA

Motion: Moved by Armstrong, seconded by Marion to adopt the agenda.
Carried Unanimously.

2. PRESIDENT'S REPORT

Wong presented his written report (a copy annexed to the master copy of the minutes).

3. EXECUTIVE DIRECTOR'S REPORT

Minniti presented his written report (a copy annexed to the master copy of the minutes).

4. MAPS BURSARIES FOR CCE STUDENTS

Minniti reminded Board members of the presentation made by University Advancement at the October 21, 2008 Board meeting involving a possible bursary endowment exclusively for certificate and diploma students enrolled at the Centre for Continuing Education (CCE). Minniti indicated that since the October 21, 2008 Board meeting, he and Wong followed up with University Advancement in regards to pledge scenarios that combine annual endowments with direct annual expenditures such that an additional 30 students each year would receive a \$500 bursary. Minniti highlighted the four scenarios in the University Advancement handout as well as the fifth scenario template:

Scenario 1 -- \$105,000 expendable and \$400,000 endowed pledged over 7 years with first full endowed awards to be granted in 2015.

	2008	2009	2010	2011	2012	2013	2014	Total
Expendable	\$15K	\$15K	\$15K	\$15K	\$15K	\$15K	\$15K	\$105K
Endowed	\$130K	\$45K	\$45K	\$45K	\$45K	\$45K	\$45K	\$400K
Annual Contribution	\$145	\$60K	\$60K	\$60K	\$60K	\$60K	\$60K	\$505K

Scenario 2 -- \$105,000 expendable and \$400,000 endowed pledged over 7 years with first fully endowed awards to be granted in 2015 (front end loading with annual pledge payments of \$35K).

	2008	2009	2010	2011	2012	2013	2014	Total
Expendable	\$15K	\$15K	\$15K	\$15K	\$15K	\$15K	\$15K	\$105K
Endowed	\$190K	\$35K	\$35K	\$35K	\$35K	\$35K	\$35K	\$400K
Annual Contribution	\$205	\$50K	\$50K	\$50K	\$50K	\$50K	\$50K	\$505K

Scenario 3 -- \$75,000 expendable and \$425,000 endowed pledged over 5 years with first fully endowed awards to be granted in 2013.

	2008	2009	2010	2011	2012	2013	2014	Total
Expendable	\$15K	\$15K	\$15K	\$15K	\$15K			\$75K
Endowed	\$205K	\$55K	\$55K	\$55K	\$55K			\$425K
Annual Contribution	\$220K	\$70K	\$70K	\$70K	\$70K			\$500K

Scenario 4 -- \$75,000 expendable and \$425,000 endowed pledged over 5 years with first fully endowed awards to be granted in 2013.

	2008	2009	2010	2011	2012	2013	2014	Total
Expendable	\$15K	\$15K	\$15K	\$15K	\$15K			\$75K
Endowed	\$265K	\$40K	\$40K	\$40K	\$40K			\$425K
Annual Contribution	\$280K	\$55K	\$55K	\$55K	\$55K			\$500K

Scenario 5 -- \$X expendable and \$Y endowed pledged over Z years with first fully endowed awards to be granted in 20XX.

	2008	2009	2010	2011	2012	2013	2014	Total
Expendable	\$15K	\$15K	\$15K	\$15K	\$15K			\$
Endowed	\$	\$	\$	\$	\$			\$
Annual Contribution	\$	\$	\$	\$	\$			\$500K

Minniti stressed that these scenarios are merely suggestions from University Advancement and that the MAPS Board has the right to proceed with its own method of awarding an additional 30 bursaries per year, valued at \$500 each, for a total of \$15,000. Minniti indicated that this could be accomplished with an annual allocation of \$15,000 without needing to go via an endowment route, however, Minniti did stress that the endowment route would allow for the organization to save money in the long run and essentially not have to worry about an annual allocation being

subject to the will of future Boards. Minniti indicated that if the MAPS Board were to proceed with one of the scenarios provided by University Advancement, given MAPS' cash flow, scenario 1 would be the most appropriate given that the organization's annual surplus is between approximately \$60,000 and \$80,000. Minniti concluded by indicating that a \$505,000 gift to McMaster University to establish bursaries for CCE students would be the organization's largest gift in its 30-year history.

Wong agreed with Minniti that scenario 1 would be the most fitting for MAPS. Wong added that there is definitely demand for bursaries for certificate and diploma students.

Voros questioned whether it would be wise for MAPS to commit to such a long term pledge given the current economic downturn may have a negative impact on enrolment, and ultimately, MAPS' cash flow.

Marion indicated that it was actually during economic downturns that post-secondary institutions see an increase in enrolment given unemployment, and added that MAPS would also see growth in the number of full-time students that would drop down to part-time status given the economic situation.

Huff expressed concern that the surplus belonged to part-time students and not MAPS.

Marion clarified that MAPS' surplus did indeed originate as student fees, but it is now part of MAPS' assets and retained earnings and that MAPS has demonstrated a history of responsible stewardship with surpluses by using it to improve the lives of part-time students at McMaster University.

Armstrong concurred with Marion and indicated that the discussion should not centre on whether or not MAPS does make a gift, but rather how and when. Armstrong noted that over her past eight years on the MAPS Board, every couple of years, MAPS would make a sizable donation to McMaster University in order to benefit part-time students. Armstrong noted that this has included the \$250,000 bursary endowment in honour of Mel and Marilyn Hawkrigg in 2006 as well as the \$250,000 bursary endowment in 2003, both matched by the provincial government. Armstrong noted that it is not appropriate for a not-for-profit organization to have substantial retained earnings and indicated that MAPS could become a take-over target by others within the McMaster University community. Armstrong concluded by indicating that when surpluses are spent responsibly on student bursaries or capital projects as was the case in the past with the McMaster University Student Centre (MUSC) and Mills Memorial Library, then MAPS does not run the risk of individuals wanting to explore the possibility of refunding student fees.

Huff inquired if MAPS had considered a refund in the past.

Minniti noted that the treasurer and past-president from the 2007-2008 MAPS Board of Directors explored a \$0.35 refund per student, but this was understandably rejected by the MAPS Finance Committee, Executive Committee, and ultimately the Board.

CORRECTION: The fee refund proposed in 2007 was \$0.50 and was recommended by the Finance Committee on November 13, 2007. The Finance Committee report was received for information, not rejected, by the Executive Committee on November 21, 2007. The Board of Directors rejected the recommendation on November 28, 2007.

Hayward agreed with Armstrong and indicated that such a gift seems to fit within MAPS tradition and culture, and that the organization has an annual surplus that can sustain a long-term pledge. Hayward added that a large \$505,000 pledge over seven years is similar and on par with making two or three smaller gifts over the same time period as was the case with the \$250,000 gift in 2003 and the \$250,000 gift in 2006 mentioned by Armstrong.

O'Connor indicated that she would be in favour of proceeding with scenario 1.

Waterkamp inquired when the first bursaries from this endowment would be awarded.

Minniti noted that the first bursaries would be awarded to applicants reviewed for the winter 2009 study period in January 2009.

Voros inquired what would happen if the amount of student fees collected in subsequent years dipped in such a way that MAPS could not afford to keep up with its "mortgage" payments.

Minniti indicated that this was discussed when he and Wong met with University Advancement, and that language within the gift agreement can be included so as to make the end date flexible to account for fluctuations in cash flow. Minniti also added that the opposite could be true, that in any given year, should the MAPS Board feel so inclined, it could top-up its "mortgage payment" so as to accelerate towards the final the endowment payment before 2014 in scenario 1.

Horton inquired whether or not Minniti would have MAPS' legal counsel review a gift agreement.

Minniti indicated that it is standard practice for MAPS' legal counsel to review gift agreements as was the case with the most recent \$250,000 Hawkrigg gift in 2006.

Voros inquired whether a decision is required this evening.

Minniti noted that the MAPS Board could take as much time as it needed to make a decision, but that if the Board would like to announce a bursary endowment to coincide with the organization's 30th anniversary at the organization's annual award dinner on Wednesday November 26, 2008, a decision would be required this evening so that a gift agreement could be drawn up between MAPS and McMaster University, and that there is sufficient time for MAPS' legal counsel to review said gift agreement.

Armstrong noted that the Board has all the necessary information to make a decision tonight on whether or not to proceed with a bursary endowment.

Wong encouraged Board members to vote in favour of scenario 1 this evening so that the organization could announced the endowment at the annual awards dinner.

Minniti agreed that such an announcement at the awards dinner with a room full of former Board members would be outstanding and that from a public relations point of view, it would be noteworthy to highlight the link between 30 years of Board leadership and 30 additional students receiving a bursary each year. Minniti nonetheless concluded that the awards dinner should not play a substantial role in swaying Board members one way or another, and that the merits or lack thereof of the endowment should speak for itself.

Waterkamp inquired as to what would happen if demand from certificate/diploma students were to decrease.

Minniti noted that this was discussed between he and Wong during their meeting with University Advancement, and that language can be used within the gift agreement that gives priority to certificate and diploma students first, and that if there is still unused bursary money, that degree students could also be considered for the funds. Minniti noted however that he does not anticipate demand for CCE bursaries to go down, quite the opposite given the current economic downturn and the spike in enrolment at CCE from individuals looking to upgrade their skills in order to retain employment or to seek new employment.

Wong encouraged Board members to support scenario 1.

Motion: Moved by Marion, second by Armstrong that the MAPS Board of Directors establish the MAPS 30th Anniversary Bursaries for certificate/diploma students as per Scenario 1:

Scenario 1 -- \$105,000 expendable and \$400,000 endowed pledged over 7 years with first full endowed awards to be granted in 2015.

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In favour: 9
Opposed: 1
Abstaining: 2

Carried 9-1-2.

5. UNFINISHED/OTHER BUSINESS

There was no unfinished or other business.

6. TIME OF NEXT MEETING / ADJOURNMENT

Minniti will be soliciting the availability of Board members for term two meetings via e-mail. There being no further business, the board adjourned at 8:45 p.m.

Motion: Moved by Armstrong, seconded by Waterkamp to adjourn.
Carried Unanimously.



ERRATA

NOTICE TO READER:

While these minutes were approved by Board of Directors on April 30, 2009, a subsequent review identified errors which have been noted using a text box on page 3 of the minutes.