

**McMaster Association of Part-Time Students
Board of Directors Meeting – Minutes
Thursday February 17, 2011 at 5:30 p.m.
University Hall, Room 211**

PRESENT Elaine Marion (Chair), Rose O'Connor, Kate Pratas, Nathan Shaw, Violet Wakeman-Ajandi, Candace Waterkamp

ABSENT Jeanette Hunter, Min-Ju Evans

STAFF Sam Minniti (Executive Director)

GUESTS Dr. Fred Hall, McMaster University Student Centre (MUSC) Task Force Chair, Mary Koziol, McMaster Students Union (MSU) President & MUSC Task Force Member

CONSTITUTION OF THE MEETING

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

ATTACHMENTS TO THE OFFICIAL COPY OF THE MINUTES

- MUSC Taskforce Letter

1. ADOPTION OF THE AGENDA

Motion: Moved by Pratas, seconded by Waterkamp to adopt the agenda.
Carried Unanimously.

2. MUSC TASK FORCE LETTER

Minniti introduced Dr. Fred Hall, in his capacity as Chair of the MUSC Task Force.

Hall indicated that Koziol and Minniti are also members of the MUSC Task Force. Hall noted that the MUSC will be 10 years old in 2012 and explained that the MUSC is governed by a Board of Management and Operations Agreement. Hall noted that there are three principal signatories to the Operations Agreement, namely McMaster University, the MSU, and the McMaster Association of Part-Time Students (MAPS), and it is because of this that the aforementioned groups have representation on the MUSC Board of Management. Hall noted that one of the exercises initiated when the MUSC Operations Agreement was created was one of projecting what the operating costs and revenues of the MUSC would be via a capital levy within the MSU and rental income from tenants and vendors. Hall explained that the MUSC Operations Agreement was slightly amended in the past 10 years, but indicated that more reform is required and given his experience as a former member of the MUSC Board of Management on behalf of McMaster University, he was asked to chair the MUSC Task Force, including re-examining the funding model of the MUSC. Hall noted that since 10 years had passed, the focus was understandably shifting from capital costs to ongoing operating costs. Hall clarified that any changes to the MUSC Operations Agreement would need to be approved by all three parties from the MUSC Board of Management (McMaster University, MSU, and MAPS), which would naturally involve legal counsel from each stakeholder. Hall explained that besides the funding model, some of the other proposed changes were housekeeping in nature

that reflect changes in operations since the building opened in April 2001. Hall indicated that the ongoing financial viability and funding structure of the MUSC was the most pertinent issue to why he was approaching the MAPS Board this evening. In particular, Hall indicated that various financial models were explored to replace the existing model, but ultimately, the MUSC Task force was focusing on a particular model that would see the University continue its financial commitment, the MSU contribute its share of the operating costs (ultimately guaranteed via an agreement between the MSU and McMaster University whereby McMaster University would have the authority to make up any shortfall in MSU operating funds via the continuation and conversion of a capital levy to an operational levy of MSU members), and finally, have MAPS as a new, ongoing funding partner (independent of MAPS' \$500,000 capital donation). Hall specified that the MUSC Task Force is proposing the MAPS begin contributing operating costs, on a prorated basis, to the MUSC given that it is a signatory to the MUSC Operations Agreement (along with McMaster University and the MSU). Hall admitted that the MUSC Task Force struggled on how to determine a fair and accurate prorating of a potential MAPS contribution to the MUSC, including such concepts as prorating costs by square footage as well as calculating a fair annual contribution from MAPS, and prorating it to a per unit fee (for calculation purposes only).

Minniti noted that if the MAPS Board were to explore the possibility of a MUSC contribution, it could certainly calculate it on per unit basis, but more than likely, it would come from retained earnings.

Hall concurred and noted that Minniti strongly advocate to not proceed with a levy model given that levying all MAPS members would not be fair given that MAPS members that are certificate/diploma students enrolled at the Centre for Continuing Education (CCE) essentially do not use the MUSC, and should not be used in calculating a prorated, per unit fee. Hall continued and noted that a prospective ongoing financial contribution from MAPS would most likely go toward the MUSC Reserve Fund, a fund that is used to cover ongoing maintenance costs and capital renewal, and that is managed by the MUSC Board of Management. Hall also noted that changes to the functions of space could also involve increased costs, by virtue of the notion that depending on the nature of the space, rent may not be charged, resulting in less revenue for the MUSC.

With respect to a specific amount that MAPS could consider if it were to provide ongoing funding to the MUSC, Hall clarified that the amount was based on an amount similar to the MSU's operating costs shortfall, and prorating that across MAPS members on a per unit basis (with again the removal of CCE units). Hall noted that this calculation amounted to \$0.75/unit, charged across the 54,000 units of current part-time undergraduate degree students, or \$40,000. As such, Hall added that the MUSC Task Force would like MAPS to consider an ongoing annual commitment of \$40,000, indexed to inflation year via the consumer price index (CPI). Hall also explained that an ongoing financial commitment would help the MUSC Board of Management with long-term financial planning.

Minniti asked if Hall could elaborate on what the ongoing commitments were to be for the other two signatories, that is, McMaster University and the MSU.

Hall indicated that McMaster University would contribute over \$806,000 this year while the MSU would contribute over \$216,000 this year, and that this excludes other revenue sources from tenants of the MUSC and MUSC rentals to external vendors.

Koziol added that MSU members currently pay \$3.00/unit to a maximum of \$90 per academic year, and since the inception of a MUSC capital levy, MSU members have contributed \$25 million of the \$36 million capital costs. Koziol explained that at the last meeting of the Student

Representative Assembly (SRA), the MSU endorsed an ongoing levy to assist with the operating costs of the MUSC.

Minniti asked Koziol to clarify if this was a new levy or essentially the existing capital levy converted to an operating levy, more than likely at a reduced amount that was already agreed to between McMaster University and the MSU.

Koziol confirmed that this was the same levy, although the MSU wanted to proactively and ceremoniously endorse the levy even though McMaster University had the right to demand said funding.

Shaw noted the difference in funds earmarked for capital and funds used for ongoing costs as well as the safe assumption that part-time students do not use the MUSC to the same level as MSU members, and as such do not inflict the same wear and tear. Shaw asked Hall as to what he thought of the distinction in MUSC usage between full-time and part-time students.

Hall responded that it is difficult to distinguish MUSC usage between full-time students and part-time students, especially with many students being both part-time and full-time at some point during their undergraduate tenure. Hall did concede that it is safe to assume that part-time students use the building less than full-time students, but that it would be inaccurate to assume that no part-time students use the building, and that some form of contribution to the MUSC operating costs would be reasonable aside from revenue generated from sales to part-time students.

Minniti added that the MUSC Task Force struggled with determining a reasonable way to divide MUSC operating costs amongst McMaster University, the MSU, and MAPS. Minniti indicated that the MUSC Task Force had looked at prorating the entire operating costs across the MUSC (on a square-footage basis), but that this calculation resulted in what would be a very small amount from MAPS given the MAPS Office only occupies a little over 900 square feet coupled with the fact that MAPS does not use all of the same services associated with MUSC as do McMaster University and the MSU. Ultimately, Minniti indicated that regardless of how the MUSC Task Force tried to calculate a way to have part-time students contribute to the MUSC, it was not cut and dry based on usage, but that some reference point would be required to determine an ongoing calculation versus an arbitrary number.

Hall added that using square footage would not reflect fluctuations in part-time student enrolment which would have a bearing on the ongoing size of the proposed contribution to the MUSC operating costs. Hall referenced one of Minniti's points raised during a MUSC Task Force meeting dealing with a scenario where MAPS could potentially not afford a pre-determined contribution to operating costs linked to square footage (which would not fluctuate) if enrolment were to decrease due to extraneous factors (such as if 3-year degrees were abolished).

Waterkamp asked how Hall and the MUSC Task Force arrived at a \$0.75/unit suggestion for a proposed operating contribution from MAPS.

Hall noted that it was benchmarked and prorated based on the MSU's proposed contribution.

Minniti asked Koziol if the SRA had in fact approved a \$0.75/unit levy (in regards to any shortfall of its operating costs).

Koziol explained that initially the plan was a \$0.75/unit levy, but that the SRA had reduced it to \$0.60/unit.

Waterkamp asked if in light of the MSU's reduced levy of \$0.60/unit, if the MUSC Task Force was recommending a corresponding decrease in the proposed contribution from MAPS, that is, \$32,000 instead of \$40,000.

Minniti clarified that the MUSC Task Force is essentially seeking a \$40,000 commitment from MAPS, and working backwards from 54,000 units of part-time undergraduate degree students to land on \$0.75/unit.

Hall concurred and indicated that ultimately it would be up to MAPS to determine how it would arrive at \$40,000, and that \$0.75/unit was a suggestion from the MUSC Task Force.

Waterkamp asked if the MUSC Task Force had discussed any alternatives in the event that MAPS declined to make a voluntary ongoing contribution to the MUSC Operating costs.

Hall indicated that he did not have an answer for, but did comment on the optics associated with an original signatory not contributing to the operating costs proportionately.

Marion requested that Hall clarify what he meant by the term proportionately.

Hall indicated that MAPS is currently not making any contribution to MUSC Operating costs.

Minniti clarified that MAPS' \$500,000 gift was earmarked for capital expenses and not operating costs.

Marion maintained that if MAPS was to begin contributing to the MUSC Operating costs in a proportionate way, it would more than likely be less than the \$40,000 (\$0.75/unit) being requested given that part-time students use the MUSC to a far less degree than full-time students.

Wakeman-Ajandi inquired whether or not there was any agreement at the time that MAPS made its \$500,000 capital contribution that spoke to a need for MAPS to begin paying operating costs at some point in the future.

Hall indicated that the only agreement in place with MAPS regarding the MUSC was a standard gift agreement in regards to MAPS' \$500,000 capital donation, similar to any other donor offering funds to the capital requirements of the MUSC.

Minniti added that although he did not work for MAPS at the time the MUSC opened in 2002 (he was MSU President), his recollection was that the MSU and McMaster University had been engaged in discussion about the ongoing operating costs of the building, and in particular, what the MSU could do should their contribution to the MUSC operating costs not be sufficient. As MSU President at the time, he did not recall MAPS having anything to do with these discussion given that MAPS did not have any revenue generators or business in the MUSC, as is still the case today.

Marion indicated that her recollection was the same as Minniti's given that Marion was on the MAPS Board of Directors when the MUSC opened. Marion added that there was no discussion beyond the \$500,000 capital contribution by MAPS for its space in the MUSC.

Minniti clarified that MAPS' \$500,000 capital contribution had nothing to do with MAPS receiving its space in the building. Rather, Minniti noted that McMaster University has, over the years and to this day, provided rent-free space to its student unions, including MAPS, the MSU, the

Graduate Students Association (GSA) and the McMaster Master of Business Administration Association (MBAA). Minniti noted that MAPS was simply moving from Kenneth Taylor Hall (rent-free) to the MUSC (rent-free), and that this still would have happened without MAPS' \$500,000 capital contribution.

Hall noted that, although there were no discussions with MAPS regarding operating costs when the MUSC opened, that now, ten years later, the MUSC operating costs have grown, and as is common with many buildings, donations are sought to help maintain the building. Specifically, Hall referred to the O'Keefe Centre ultimately changing its name to the Sony Centre to reflect Sony as a donor that has contributed to operating costs. Hall noted that MAPS was definitely instrumental in being a builder of the MUSC and is now being asked to consider altering and extending their leadership role with the MUSC.

Waterkamp expressed confusion over not knowing specifically what the MUSC Task Force thought is MAPS ongoing obligations to the MUSC.

Hall encouraged Waterkamp and the others to not necessarily view this issue as what obligations the various groups have to the MUSC, and instead, view it via the lens of the reasonable responsibilities that students have towards the ongoing operations of the MUSC. Hall noted again that the three signatories of the MUSC Operations Agreement should find a way, on a go forward basis, to ensure the financial viability of the MUSC.

O'Connor asked if Hall could clarify a comment that he had made earlier in the meeting about students shifting between part-time and full-time status.

Hall indicated that there are many students that for a variety of reasons alter their unit count throughout their undergraduate tenure, and as such, may very well spend some of their time in MAPS, but also some of their time in the MSU.

O'Connor shared her own experience as a part-time student that came to campus in the evenings only for class without using the MUSC and noted that she is aware of many part-time students that come to class at night given that they have family and work obligations during the day.

Koziol indicated that although the MUSC in and of itself may not be a destination of part-time students, some services offered by Student Affairs may in fact be destinations of part-time students such as the Centre for Student Development (CSD), Campus Health, and the Student Success Centre (formerly Career Services). Koziol added that these services have extended hours of operation that are somewhat accessible for part-time students.

Minniti clarified that part-time students are not eligible for the services run by Student Affairs in the MUSC, unless they are a student with a disability or pay \$25 for an access card, and anecdotal, Minniti indicated that the number of access cards sold by Student Affairs is low.

Shaw indicated that he could see various scenarios where students may be part-time in one year, but full-time another, however, he noted that the number of part-time students that remain part-time students must be the clear majority. Shaw also indicated that it was his opinion that full-time students use the MUSC and the services within the MUSC far more than part-time students, and as such, the operating costs required for maintenance should be absorbed by those who use the MUSC the most, namely full-time students.

Minniti added that although most part-time students essentially remain part-time students throughout their entire undergraduate tenure, a substantial amount of change occurs in and

around the summer time. Minniti explained that, by definition, all summer students are part-time (unless they somehow find the time to take 18 units or more), however it is safe to assume that a large number of them were full-time in the previous winter term and return to full-time status in the fall term. Set against this backdrop, Minniti indicated that part-time students do use the MUSC in the summer, but that part-time student usage of the MUSC is presumably low in the fall and winter terms.

Hall concurred with Minniti and indicated that MAPS could view an ongoing \$40,000 contribution to the MUSC on behalf of its summer members.

Shaw inquired how an ongoing financial contribution of \$40,000 would be used.

Hall indicated that the most logical area to apply this money would be the Reserve Fund, and that the spending of the Reserve Fund would fall to the MUSC Board of Management. He added that this could involve funding a variety of different needs, such as, for instance, the maintenance of existing study space. Hall also added that the MAPS Board should not view this as an “us versus them” discussion, and that simply put, the population of the campus has doubled since the MUSC opened.

Shaw indicated that, be that as it may, the driving growth of student enrollment was by full-time students, not part-time students. Shaw noted that he was simply wondering what a fair and accurate contribution would be to MUSC operating costs, if any.

Waterkamp concurred with Shaw and added that even though this is not an “us versus them” discussion, there is still something that must be said about the differences between full-time and part-time students, as well as their corresponding use of the MUSC. Waterkamp was of the opinion that MAPS members should not pay a proportionately similar amount as MSU members. Waterkamp also added that if MAPS were to contribute to the MUSC operating costs, that MAPS should retain some sort of control or direction regarding how the money is spent so as to ensure that it is going toward something that is a good fit with part-time student usage or culture.

Marion agreed with Waterkamp that a prospective gift from MAPS toward the MUSC operating costs would have to, similar to past MAPS gifts, be visible and pertinent for part-time students as opposed to a generic upkeep of a building that is the subject of some debate as to how many part-time students actually use it.

Hall indicated that such accountability would need to be achieved via Minniti and his role as MAPS’ representative on the MUSC Board of Management.

Waterkamp inquired as to how much weight Minniti’s vote would have on the MUSC Board of Management.

Minniti explained that MAPS has one vote, and that the MSU and McMaster University each have three.

Pratas asked if MAPS therefore is easily outnumbered.

Minniti explained that during his time with the MUSC Board of Management to date, this had not happened as the climate has been amicable and the group would normally make unanimous decisions that were in the best of interest of the MUSC and not necessarily the best interest of McMaster University, the MSU, or MAPS. Minniti added that MAPS actually has, to

some extent, a kingmaker role given that with the exception of routine motions that require a simple majority, most significant motions require five of seven votes to pass.

Marion indicated that the MAPS Board would have some work to do in regards to exploring a good fit between MAPS and a monetary contribution to the MUSC.

Shaw inquired as to why a request for MAPS to contribute to the MUSC operating costs was coming to MAPS now, ten years into the operation of the MUSC, and how quickly the MUSC Task Force was hoping that MAPS would have a decision.

Hall noted that the plan all along was to review the MUSC Operations Agreement after ten years. Ideally, given that the MSU, McMaster University, and the MUSC Board of Management would be planning their subsequent fiscal years, having a decision from MAPS by June 2011 would be helpful, but not absolutely necessary.

Waterkamp inquired if there was any way that MAPS would be forced into contributing to MUSC operating costs via changes to the MUSC Operations Agreement.

Minniti explained that for any changes to occur to the MUSC Operations Agreement, all three parties would need to give their consent, ultimately after each party has sought and received legal review. Minniti also explained that the MUSC Task Force is an Ad-Hoc Committee, and that regardless of whether or not MAPS ultimately makes or does not make a contribution to MUSC operating costs, MAPS would be dealing with the MUSC Board of Management and not the MUSC Task Force which will only serve until all of the unanimous recommendations are made to alter the MUSC Operations Agreement.

There be no further questions, Minniti thanked Hall and Koziol for attending the MAPS Board meeting and indicated that the MAPS Board would have a closed session discussion and would communicate its decision to Hall and the MUSC Task Force via a formal letter.

Hall and Koziol thanked the MAPS Board for their time and left the meeting.

Motion: Moved by Pratas, seconded by Shaw to move into closed session.
Carried Unanimously.

Motion: Moved by Wakeman-Ajandi, seconded by O'Connor to return to open session.
Carried Unanimously.

3. UNFINISHED / OTHER BUSINESS

There was no unfinished or other business.

4. TIME OF NEXT MEETING / ADJOURNMENT

Minniti indicated that the next meeting of the MAPS Board of Directors would take place on Thursday February 24, 2011. There being no further business, the meeting was adjourned at 9:40 pm.

Motion: Moved by Waterkamp, seconded by Wakeman-Ajandi to adjourn.
Carried Unanimously.

IMPORTANT NOTICE

During the years 2008 through 2012, the taking of minutes, recording of decisions of the Board, and other normal meeting procedures do not appear to have been followed or in accordance with best practices. However, various documents that appear to be unapproved minutes were found.

In August 2013, the Board of Directors (which was elected in February 2013 as part of a complete Board changeover) instructed that these unapproved minutes be made publicly available in order to advance the current Board's commitment to transparency and improved governance. However, these minutes may not be fully representative of the deliberations or subsequent actions of prior Boards, and the current Board is unable to determine their accuracy as none of the current members were present during these past meetings.

These minutes should thus be read with the following caveats:

1. Unless otherwise indicated, no record exists of these minutes being appropriately reviewed or approved. The minutes' contents are thus provided "as is" for information purposes only.
2. These minutes may accordingly not provide a full or accurate record of prior board decisions. These minutes should thus not be relied upon as authoritative or conclusive.
3. As none of the 2013 members were present, these minutes have not and will not be approved by the 2013 Board. The 2013 Board does not automatically agree with or accept any decisions or discussions that may be in these minutes.
4. For reference, as of 2013, minutes are now reviewed and approved by the Board at a subsequent meeting, and signed by the presiding officer and corporate secretary.