

MINUTES

Finance Committee Meeting #2

Wednesday, November 4, 2020

3:30 pm to 5:00 pm, via Teams

Present: Tyler Poirier, Katy Oada, Sooraj Modi, Alan Negrin, Lee Anne Clarke
Absent with Regrets: Sara Kuwatly
Minute Scribe: Tyler Poirier

2.1 Welcome & Introduction

The members of the committee took turns introducing themselves.

2.2 Approval of the Agenda

No questions or concerns surrounding the agenda were raised.

Agenda approved.

2.3 Approval of Previous Minutes - Orientation Meeting October 28, 2020

No minutes to approve.

2.4 CSA Budget 2020-2021: Review of first draft (rolling)

NOTE: The review of the first draft of the budget began in the Finance Committee orientation meeting on October 28th, and information from the orientation meeting is included in these minutes in italics for clarity.

Operating Revenue (student fees, admin fees, fees for service)

Student Fees: The anticipated revenue of the CSA from student fees for the 2020-2021 year is estimated at \$730,000, based off of the actual student fees received for the Fall 2020 semester as at October 28th which totaled \$376,210.

Administrative Fees: These fees have largely been discontinued as the Student Choice Initiative (SCI) was overturned by a court, reverting the CSA's fees back to a compulsory fee system. These fees were primarily attached to essential services for which the CSA did not receive any compensation for operational expenses (Bus Pass, Health & Dental Plan).

The Bullring pays an annual administrative fee for services specific to administration and bookkeeping. The Bullring will not be in a financial position to pay this fee in 2020-21. Anticipated loss to operating revenue: \$42,900.

Return on Investments (ROI): The CSA invested in two projects with University Centre Services, namely the renovation to the Photo Arts space (Boo Lounge) and the Digital Signage Programme. In exchange for our original investment, we receive annual dividends for a period of time to recover our initial investment. Given the challenges of this year, it is unlikely UCS will be in a financial position to pay out our annual dividend. It is more likely the agreement will be suspended in 2020-21 and consequently amended to extend the dividend period by an additional year. The contracts are set to expire in 2022 and 2023. Lee Anne will confirm this option with UCS.

Anticipated loss to operating revenue: \$11,250.

Promotional Service: It is unlikely this service will generate revenue in 2020-2021.

Anticipated loss to operating revenue: \$12,000.00.

Service Fees: The CSA will not be operating our Print Service (photocopies/scans) and ink refill programme. Anticipated loss to operating revenue: \$13,000.

Imaginus Poster Sale: The Imaginus Poster Sale will not be on campus this year (usually 3 shows). Anticipated loss to operating revenue: \$24,000.

Operating Expenses by Portfolio

Academic: The VP Academic's wage is reduced from the previous year (2019-2020) as that position was vacant until October 19th, 2020. The VP Academic was consulted on lines of their budget, and agreed on their campaign line amount, while there was discussion about the cost associated with running Art in the Bullring. The amount seems to increase from last year (from \$600-700), but that's because the Bullring will not be able to provide the \$500 usually put aside in the Bullring's budget for the event. The increase will help offset that loss. Advertising is also reduced by \$170 because we are not going to be able to have on-campus advertisements to the same extent as in the past.

Administration: Last year, we added a leasehold improvements line but this year, with the size of our surplus, it does not seem reasonable to add a line for that and the finance committee can make a recommendation to use the surplus for leasehold improvements if we see fit. Insurance rates increased from \$11,400 last year to \$14,000 this year, while our photocopier lease is a fixed amount.

This year, the employee benefits were reduced because of the lack of parking fees on campus as we are working from home, plus parking has continued to be free since the closure of the university in March of 2020. We are also expecting significantly fewer professional fees such as HR consultation, audit, and legal fees.

Council: *Council expenses have been reduced in certain areas, especially whereas COVID-19 has impacted the budget. Specifically, travel and conference expenses have been zeroed due to COVID-19, while a small amount was dedicated to a fee for CFS' conferences in case they*

are charging a fee for virtual conferences. The CSA President & PDR Committee indicated that a total grant line of \$9,000 was congruent with anticipated demand this year.

Note: the executive discretionary fund was not added to the budget for reasons discussed at the November 4th meeting (see below).

Some other budget lines within the council expenses have shifted from the 2019-2020 year, including expenses associated with elections staff and honoraria for our CSA Board Chair & Scribe. Both were reduced as elections staff & the Board Chair & Scribe are expected to work fewer hours overall compared to last year. The expenses associated with the survival guide are also zeroed as the survival guide was cancelled for the 2020-2021 academic year due to COVID-19. It is also expected that the AGM will cost significantly less as a lot of the cost was associated with food and beverages, which are not possible this year.

External: Campaign funds were reduced from \$2,500 to \$1,500. A quick 2-year history check of previous spending confirmed the reduction is reasonable. The total spent at the end of April 2020 from the VP External's campaign line was \$1,300, and although an additional \$1,100 was supposed to be donated to a group by the VP External, the Executive Committee decided to use their Executive Discretionary Fund for this. At the end of April 2019, the VP External had spent approximately the same amount, just above \$1,300.

Question: Considering we are thinking that the executive discretionary fund should not be available, how can executive find additional funds if the campaign line is spent out before the end of the year?

The Finance Committee is authorized to approve funding proposals up to \$2,000. Executive members (and service staff) can submit a request for additional funds to the Finance Committee at any time.

Programmer: The commission (~\$24,000) received from the three Imaginus poster sales usually offsets the wages paid to our Programmer (who is responsible for contracting and managing the sales). Wages have been reduced to reflect a reduction in workhours.

Promotion Service: *The expenses for promotional services are anticipated to decrease as our poster running service is not operating, removing the need to budget for poster-runner wages. Supplies and advertising/promo have been reduced as there are fewer costs associated with virtual work, while promotion-related memberships and subscriptions have been slightly increased as a need for additional software and promotional capacity has grown.*

Student Experience: *Expenditures associated with advertising & promotion, supplies, and photocopying have all been reduced considering the reduced need for such resources while working from home due to COVID-19.*

The stressbuster line for Winter 2021 was reduced but not eliminated because the VP Student Experience will run stressbusters but will not be running the Last Toast stressbuster event, which included food and drinks and costed about \$2,000.

Bike Centre: The Bike Centre is currently closed, so we are not expecting expenses associated with the service for 2020-2021.

Clubs: Current staffing levels are under review in relation to the workload and demand. Any changes to hours will be finalized before the final budget is prepared. The Clubs general meeting is significantly cheaper this year as well, so we know the overall expenses associated with Clubs will be lower.

SafeWalk: The SafeWalk fee has been suspended in Fall and Winter as the service will not be operating in 2020-2021. Of note, SafeWalk will be funded exclusively from the SafeWalk Referendum Fee (passed in Fall 2019) and will no longer be funded through the CSA operating budget.

SHAC: Job descriptions and wages have been amended to reflect the reduction in service demand. The legal aid clinic will continue to run in 2020-2021. Advertising/Promotions, supplies, and photocopying expenses are lower as well, and volunteer appreciation and training are zeroed as no volunteers are working in SHAC this year.

General Comment: Usually, we maintain a \$30,000 buffer in our budget as a backup, however it's not expected that we will require that for this year with reduced costs due to COVID-19 and in light of our sizable reserve. It's therefore estimated that we will be under budget by approximately \$126,000.

2.5 Bullring: Financial Review

The Bullring is currently running with 4 FT staff, 2 of which are permanent management positions. We're trying to get dine-in services up and running, alongside takeout dinners that are prepackaged, while we're also looking to have livestreams held in the Bullring which was recently approved by the administration of UofG.

A review of the last 5 year end net revenue amounts for the Bullring total approximately \$237,000. This revenue makes up a portion of the CSA's overall accumulated surplus. A comparison budget was prepared to review fixed costs for two scenarios: a) Bullring closing at the end of November and b) Bullring remaining open to year end. Budget projections indicate a greater net loss would be incurred by closing in late November (~net loss \$133,000) as opposed to staying open to year end (~net loss \$109,000). This is primarily due to fixed costs such as: wage contracts, insurance, and institutional fees.

Question: If the Bullring is expecting a significant loss this year, why would we lower the advertising amount? Shouldn't we increase it so more customers go to the Bullring? Members of the finance committee discussed the benefits of increasing the advertising costs associated with the Bullring for this year, and how COVID-19 restrictions would require

creativity in using up an increased advertising budget, but it could help bolster customers considering the Bullring is seeing fewer clients due to COVID-19. After consideration, the committee recommended an increase in Bullring advertising budget from \$400 to \$700 for this year.

2.6 FoodBank: Financial Review

This budget was reviewed by the Business Manager and the FoodBank Coordinator prior to the Finance Committee meeting and some budget lines were reduced, such as volunteer appreciation (no volunteers this year). The CSA's front office staff have been reassigned responsibilities at the FoodBank to help offset the hours typically worked by volunteers and are paid through the Administration budget. Funds from the Special Diet budget line were redirected to Food Acquisition as regular stock now includes more special diet items. Demand continues to increase.

Wage review

In Camera discussion

2.7 New Business

No new business

2.8 Next Meeting

November 18, 2020