

**FINANCE
COMMITTEE****Monday February 01, 2016****5:00 pm****SUB 6-06****ATTENDANCE**

NAME	PROXY	PRESENT
Cody Bondarchuk (Chair)		Y
Levi Flaman		Y
Alex Kwan		Y
Charles Lewis		N
Robyn Paches		N
Kevin Wang		Y
Jane Yu		Y
Vivian Kwan		Y
Brett Stephen		Y

MINUTES (FC 2015-11)**2015-11/1 INTRODUCTION****2015-11/1a **Call to Order****

Meeting called to order at 5:06 pm.

2015-11/1b **Approval of Agenda**

FLAMAN/WANG moved to approve the agenda for February 01, 2016 as tabled.

Vote 6/0/0

CARRIED

2015-11/1c Approval of Minutes

FLAMAN/ ALEX KWAN moved to approve the minutes for January 11, 2015 as tabled.

Vote 5/0/1

CARRIED

2015-11/1d Chair's Business

BONDARCHUK: The operating agreement between the Students' Union and The Gateway as well as the brief payment agreement are not included in the public agenda because they are confidential.

2015-11/2 QUESTION/DISCUSSION PERIOD

2015-11/3 COMMITTEE BUSINESS

2015-11/3a DFU Financial Package Review: The Gateway

BONDARCHUK: Their review is quite late, and they are aware about it. We have a letter from the Executive Director and the Business Manager of the Gateway. I'll pull out the rules to remind people what we're looking for. They should have a budget illustrating how funds would be spent through the year, audited financial statements, evidence of fulfillment of contracts, evidence of mandate fulfillment, and any other information that the Finance

Committee may need.

FLAMAN: As they have acknowledged, their revenue has dropped. While I do appreciate that they still give some scholarships, it may be prudent to postpone those when there is a \$21,000 shortfall even know the scholarships are only \$1,500.

BONDARCHUK: Those scholarships are a requirement for them to be in this building. They go to students.

FLAMAN: Can we give an exception to that?

BONDARCHUK: We technically could, but I'm not sure of the precedent it'll set for other tenants.

FLAMAN: How many other tenants are facing a serious financial shortfall like this?

BONDARCHUK: I believe none are. I'm not sure.

FLAMAN: Everything else looks good. It's just this point that I'm concerned about. You just don't keep doling money out when you don't have the money.

Was there anything about what the change to their mandate was?

BONDARCHUK: Yes. They'll be going for 4 print issues per term in a magazine format, and 500 unique online contents per term.

FLAMAN: Is it similar to the magazine they print now?

BONDARCHUK: Yes. They are essentially going online.

There has been a significant decrease in advertising revenue, and the budget has dropped by about \$50,000. They hire an external company called Free Media to manage their advertising. They had projected about \$135,000 in advertising revenue initially, but had dropped the projection to about \$85,000 halfway through the year. The Gateway board is not pleased.

FLAMAN: How often is the contract signed with Free Media?

BONDARCHUK: It's a continuous contract.

FLAMAN: Will the board continue with them?

BONDARCHUK: They indicated that they want to continue with Free Media for now. However, I wasn't at the last meeting and don't know if there have been any changes.

With online advertisements, you could identify who's looking at your content much easily. We'll see how many page clicks occur.

FLAMAN: With online content, people use ad blocking software.

BONDARCHUK: Will it affect the company which placed the ad or the host?

WANG: The host. The company pays money whenever the ad is viewed. So, the host may not get money for their advertising space if the ad is not clicked.

BONDARCHUK: Sponsored content is a good solution. I don't know if the Gateway had that conversation.

FLAMAN: Are they eligible to apply for the Activation Fund under conference sponsorship advertising revenue?

BONDARCHUK: No they are not as they're not a group.

FLAMAN: With the economic downturn, it appears that the Gateway wouldn't have consistent revenue.

BONDARCHUK: They have consistent revenue through student fees. About half of The Gateway's budget comes from student fees.

WANG: Do we advertise with them as well?

BONDARCHUK: Our previous contract had given us a guaranteed amount of space in the paper for a guaranteed amount of revenue we give them. That agreement no longer exists. We are still required to advertise things such as elections and certain job postings with The Gateway.

Regarding the scholarships, some of our other tenants do not want to provide scholarships, but have to. To waive that requirement, I believe it should be a separate motion.

FLAMAN: Do you think the proposed changes made by the Gateway would be effective?

BONDARCHUK: Yes, people just don't want to advertise in a downturned economy. I think that it's a smart move to make before it's too late. Print media is on its way out. They have a fair amount of clicks for their online content, and it'll grow when they are primarily online. They'll have to make a good presence during the week of welcome and orientation. Anyway, it's the best option for now. There's a staff structure change as well. This will be talked about at the presentation during Council sessions tomorrow.

FLAMAN: Are they trimming editors?

BONDARCHUK: They'll have the same staff cost at the end.

FLAMAN: How much money would they save from printing?

BONDARCHUK: They save about half the printing cost.

STEPHEN: Was there any reason for the staff restructure?

BONDARCHUK: They added another full-time position last year. They are also restructuring their contracts as well.

WANG: I'm curious about the bad debts.

BONDARCHUK: These occur whenever they issue an invoice for someone, which remains unpaid.

FLAMAN: This was discussed during CJSR's review too. Their reasoning was that they had lumped together several years' worth bad debts into a single year. That's why it was huge instead of a steady amount.

BONDARCHUK: The Students' Union has bad debts too. We send around the list of people who haven't paid us to other departments so that they wouldn't work with these people in the future.

FLAMAN/WANG moved to approve The Gateway's DFU financial report.

Vote 7/0/0

CARRIED

2015-11/4 INFORMATION ITEMS

BONDARCHUK: The membership fee increase will be brought to council tomorrow. Let me know if you have any questions about that. The presentation that Mark gave regarding the compensation review is confidential. You can only talk about the broad strokes of it. If you want to talk specifics, we'll have to move in-camera.

2015-11/5 ADJOURNMENT

2015-11/5a **Next Meeting: March 7, 2016 at 5:00 pm.**

2015-11/5b Meeting adjourned at 5:36 pm.

SUMMARY OF MOTIONS

MOTION	VOTES
<i>FLAMAN/WANG moved to approve the agenda for February 01, 2016 as tabled.</i>	6/0/0 - CARRIED
<i>FLAMAN/ ALEX KWAN moved to approve the minutes for January 11, 2015 as tabled.</i>	5/0/1 - CARRIED
<i>FLAMAN/WANG moved to approve The Gateway's DFU financial report.</i>	7/0/0 - CARRIED