



# FINANCE COMMITTEE MINUTES

2014 – 2015

Date: November 25<sup>th</sup> 2014

Time: 6.28 pm

**In Attendance:**

NICHOLAS DIAZ (Acting Chair)

CORY HODGSON

AZHAR KHAN

SAMER SLEIMAN

ROGER CROUTZE

ANDY WONG

**Excused Absence:**

JAMES HWANG

ZHAOYI CHEN

TYMOTHY JADDOCK

**Others in Attendance:**

SACHITHA KUSALADHARMA

**1. CALL TO ORDER:** DIAZ called the meeting to order at 6.28 pm.

**2. APPROVAL OF  
AGENDA**

**HODGSON moved to approve the agenda for November 25, 2014 as tabled.  
The motion was seconded by SLEIMAN.  
Vote 5/0/1 (Abstention by WONG)  
CARRIED**

**3. APPROVAL OF  
MINUTES**

HODGSON: We asked Board of Governor's Representative Hansra to proxy because we wouldn't have been able to have the meeting otherwise. Councillor Khan, are you ok with it? As you are both from Law, we counted him as your proxy.

KHAN: I'm ok. I was confused before as to why his name was listed as my proxy.

*HODGSON moved to approve the minutes for October 28, 2014 as tabled.  
The motion was seconded by SLEIMAN.  
Vote 3/0/3 (Abstentions by WONG, DIAZ, and CROUTZE)  
CARRIED*

**4. CHAIR'S  
BUSINESS**

*None.*

**5. OLD BUSINESS**

(a) Access Fund Updates

HODGSON: There are no updates. Under Finance Committee's duties in Bylaw 100, it's mentioned that we have certain oversights in the administration of the Access Fund. Because it has been transferred to the University, we no longer have those oversights. So, we need to change the bylaw to align with how our oversights would be. We'll discuss further in the new year. Regarding the agreement, they keep saying that they are tied up with their legal department. They are in the process of distributing money. We will not be reimbursing them until we have these agreements signed.

DIAZ: This whole discussion is happening at the Bylaw Committee, the Finance Committee, and even the Policy Committee.

HODGSON: We were talking about creating a policy on how the appeals process should be like. The Finance Committee wasn't really happy about the appeals process. It's just a way to keep it as a current issue, and to say that we are unhappy about this. We don't want it to be lost down the line.

DIAZ: What are the expectations of the different committees regarding this issue?

HODGSON: Once something happens, the Finance Committee can sign off on that. The Bylaw Committee would draft the bylaw around it.

**6. NEW BUSINESS**

(a) Budget Practice Presentation

HODGSON: This is a budget statement for the Center for Student Development (CSD). They run orientations, awards, etc. They have been renamed as SOaR (Student Orientation and Recognition).

*HODGSON went through the Students' Union's master budget.*

HODGSON: We have department codes for budgetary purposes, and there are sub categories within them. From the way things are recorded, you can look at the organization as a whole, or look at a subsection within the organization. It's

important to remember that not every department brings in revenue. For example, orientation doesn't generate revenue. We run it as a service.

DIAZ: Our income from businesses minus the expenses for services goes into the reserves.

HODGSON: Internal cost apportionments are savings that we have because of efficiencies and accessing our own services within the organization.

For budgetary purposes, the names of the departments haven't been changed.

KHAN: Don't you pay the people conducting *Safewalk*?

HODGSON: No. They are volunteers. People who access the service join in later as volunteers.

DIAZ: We have around 200 volunteers.

HODGSON: Because we want to accomplish many things with limited money, we do chronically underpay employees. Salaries would generally be a little bit below market levels. That's just how the organization runs. If we were to offer competitive compensation, we would have to cut entire sections.

DIAZ: While the staff may not be paid competitively, most of them are unionized.

HODGSON: SUTV is a new initiative which will keep growing. We are talking about ways to commercialize it.

SLEIMAN: Are you going to sell it to other institutions?

HODGSON: If they have a TV, we go and install everything for free. The money is made entirely off advertising. They can do whatever they want, but there is a designated advertisement space for us. SUTV is a good example for cost apportionment because we don't charge for advertisements of our services.

The Daily Grind has already exceeded its budgetary targets for the year within the first 6 months.

KHAN: Are we looking at ways to improve Dewey's?

HODGSON: The revenue numbers are good for this year. The costs are high though. But, that has something to do with the revenues being higher because with increased sales, you have increased costs. We also pay around \$76,000 in rent and utilities every year.

Because the accounting department has to verify the numbers after each month, there is a delay in the information that we have. That's why you have actuals only up to November. You have 7 months of data from that financial year to budget for the next.

*HODGSON went through the budget for the Center for Student Development.*

HODGSON: For fundraising, we generally do sponsorships and other things. We are also talking about starting an alumni chapter. Fundraising would be a part of it.

You would have noticed that a lot of the expenses happen in September.

*HODGSON went through the budget for Food and Beverage.*

HODGSON: Some things don't get recorded separately between L'Express and L'Express catering. Also, some of the costs are represented up front. It has only been 7 months in this financial year. Businesses generally climb out of the deficit through the year. But, the front end of L'Express has definitely been dropping off. However, L'Express catering has been doing really well.

DIAZ: When do we look at the budget thoroughly?

HODGSON: We'll first approve the budget principles. That will go to Council to be approved. Next, we will approve the actual budget. After that, it will too go to Council. I want to do this in order to show you how things work. If people want to know certain things, I'll get that information.

CROUTZE: The target budgeted profit for L'Express catering is really low. There's a big drop. Why is that?

HODGSON: I'm not sure. It can be a restructuring. We did hire an assistant manager. It could be a correction between L'Express and L'Express catering. My best guess is that it's a rectification between the two departments.

*HODGSON went through the budget for the Daily Grind.*

HODGSON: Cram Dunk started losing money and closed down. SO, the Daily Grind was started. We have already hit the budgetary targets for this financial year. We are in a unique position with the Daily Grind because we have a huge purchasing power when we order. It also doesn't require a lot of staff to run. Furthermore, the market prices for coffee beverages are pretty high. However, we are still significantly cheaper than Starbucks. There is also a very strong brand loyalty for us.

KHAN: Can we get a copy of this document?

HODGSON: It has salary information. So, it cannot be shared. I can get a copy of this which doesn't have salaries.

CROUTZE: Is the Students' Union as a whole up or down?

HODGSON: I can only really talk about the businesses. Food and beverage is struggling a little bit. There have been issues with staff costs. There's a time lapse between when we see things going on, and when we can correct them. Dewey's has been doing a lot better. In the last 2 years, it posted a \$50,000 loss. We should be breaking even this year. RATT is pretty much on par. Catering is above its targets and retail is below its targets. But, it evens out between them. The Daily Grind is exceeding the targets. SUBprint does well every year. Anyway, we are financially fine. Business revenue is not suffering so much as to put us in a risky situation. Our General manager Marc Dumouchel will come to these meetings in the future to answer your questions too. There are challenges in the future. Enrollment is decreasing. So, our student revenue will decrease. It's a hard thing to predict. We had a \$70,000 cut in granting from the Dean of Students. We are working on negotiating a stable granting system.

## **7. NEXT MEETING**

*Not decided.*

**8. ADJOURNMENT**

***DIAZ moved to adjourn the meeting.  
The motion was seconded by CROUTZE.  
CARRIED***

The meeting was adjourned by HODGSON at 7.29 pm.