**McMaster Students Union Incorporated Meeting**

**Sunday, April 28, 2019 – SRA 19C**

**Council Chambers, GH 111**

**Called to Order at 10:06am**

**CALL OF THE ROLL**

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| **Present** | Acri, Alam, Au-Yeung, Belliveau, Bertolo, Dawdy, De Fazio, Ganesalingan, Grewal, Hankins, Hassan, Herscovitch, Homsi, Jangra, Kampman, Kaur, Lee, Li, McDermott, Mesic, Mohamed, Reddy, Robinson, Sarhan, Singh, Sinnige, Williams, Zheng  |
| **Absent Excused:**  | Randhuwa   |
| **Absent** | Epifano, Huang, Pagniello, Vanderlinde  |
| **Late**  | Enuiyin |
| **Others Present:**  | Maggie Gallagher (MSU Comptroller), Elizabeth Wong (MSU Speaker), Emma Ferguson (Recording Secretary)  |
| **Chair** | Ikram Farah |

**1. Approve the 2019-2020 Capital and Operating Budgets**

**Moved** by Robinson, **seconded** by Hankins that the Full Members of the Corporation approve the 2019-2020 Capital and Operating Budgets as circulated and presented.

* Robinson thanked everyone for looking over the budget and memo in advance. Interesting year for the MSU’s budget. For the last three decades we have had slightly more money coming in from fee revenues, the SCI has affected our budget. University has the autonomy to decide what fees are essential and non-essential. Our priority was to make all our fees essential, so we tried that, but the University is required to abide by the government’s mandate. University Fees committee has been working through the process. Very thankful to the members of that committee. Been able to justify over half of our fee as an essential fee. This has affected our budget greatly. With the current fee structure we have been budgeting for a 40% opt-out. No right guess, which provides an interesting challenge in the budgeting process. Will be part of your job next year to educate students on the value of not opting out. I feel that 35% is appropriate and been budgeting for 40%. With the 40% opt-out, 410,000 decrease in fee revenue. Incredibly significant. The budget we created has a deficit of 82,000. This is not a problem for the MSU, have upwards of 6million for reserves. The Reserves are there as a “rainy day fund”. This is an appropriate use of the reserves, but it is not sustainable in the long term. The biggest thing is there is no significant cuts coming forward to student-run services. Those are our hallmark. We have a large surplus in our health plan fund, that offsets our end-of-year deficit significantly. If you look at all our services the deficit is over 200,000 dollars. Hopefully bring that closer to zero in future years through different techniques. A question came forward if the opt-out is much higher. There would need to be a new review at that time to review spending. Maggie Gallagher is here as well to help answer questions.
* Robinson stated that it is a daunting task to approve and understand 14 million dollar budget. When I was on the SRA I was very ill-informed and did not truly understand what everything was. Options going forward.
* McDermott asked Robinson if there was a line for contingencies in the operating budget. Robinson stated that if the line goes over 15%, the VP Finance will freeze it and brought back to SRA or Executive Board. The budget is a guiding document and outlines the expectations for the year. Consistently reviewing it.
* Singh stated there was a list of proposed fee structure, submitted April 18 Have those been approved. Robinson stated that the difficulty of the budgeting process is the lateness of approving the essential fees. Positive is the University has been helpful. I do not want the MSU moulding our operations to fit under the government. Proposed fee I submitted has changed in some ways, a lot of the fees under campus safety, are now shifted under health and counselling, amount has changed slightly. Mandatory operating fee was going to be 73.70 and now it is 69.70, decrease of about $4, came mostly from the University did not agree about our recreation fee on Clubs Department infrastructure. Decrease of overall funding of about 93,200. The final Fee Committee meeting is on Tuesday. Senior administration seem to agree, and I feel comfortable that the new changes will go forward.
* Hankins stated that the budget for the business units do not seem realistic. Going from 36,000 surplus to 122,000 surplus for union market, seem optimistic and seme liek it was mostly through costs and revenue increases. Not sure if there is enough trend for the revenue increases. Robinson stated unrealistic expectation on business units, because there will be increased pressure on business units, this is my guiding document, but the SRA is hopefully approving the budget. Business units have operated on a service to student model and revenue model, my guiding momentum is the time for that is in some ways over, as there is importance to offset opt out costs. Looking at prices of union market and 1280, there is no option to pay a union market fee, we need to make sure they are running at break even or revenue generation.
* Acri asked Robinson what the plan in place for the opt-out structure will work and will it list each and every thing that can opt out of. Also, in the operating budget, I am having trouble understanding. How does the proposed budget work? Why do we need so much of a budget if the whole amount isn’t used. Robinson stated that the mandate from the government is that students won’t be forced to pay the fee and be reimbursed, this provided difficulties to the university. This entire opt-out process has to happen after the drop-add date for it to work. Students will have the opportunity to drop out from September 12-20 through a tile on the MOSAIC account. It will list all the fees, read a 2-3 sentence description with a link to more info and be able to click what you want to opt out of. There will not be a select-all button. At the end of that 8 days, it will close and students will no longer be able to opt-out. Tuition will be due September 22 for all students. Robinson explained that the budget is a guiding document that lays out parameters, for example SWHAT was given $1200 to spend on office supplies, etc. and then every time they actually want to spend something the VP finance must approve it. Two years ago they spend 950$ this year they are spending $400, gave them $800 expecting that some years are outliers. Budget is made in coordination with the outgoing coordinator. Alex was involved in a lot of those conversations as the AVP Finance this year. I think it is a good process over all.
* Singh asked if a particular service does not have all of its funds allocated can the MSU reallocate. Robinson explained that it is all described in corporate bylaw 3. Robinson stated that we are not going forward next year with a plan that if there is a 90% opt out in someting, they get a 90% funding decrease for that service, we are using our reserves to offset costs. What it means for future years is we will have data moving forward, the money generated from business units goes to help the services that students opt out of the most, or get funding allocation equivalent to what students want to give them. Of the 130 that the MSU collects, about 40$ goes to admin costs, legal fees, audit fees, accounting, HR, marketing team. There was never a scenario that we could have an opt-out MSU administration fee. Instead things like MACESS or Pride, etc all utilize that administration. We cost allocated those costs to our essential fees. Ie. Academic support for 14.50, it does not cost that to run ombuds and macademics, that will go towards overall administration that support those services.
* Hankins stated that 12 computers need to be replaces for administration. Robinson this is an annual expense you might have some information. Maggie stated that each department has certain number of computers, we have about 100 computers that we are every 5 years rotating out for new ones that it is their life span, 12 computers have reached their life span, every year we have to swap out about 12-15 so that all 100 computers are up to date. We put it on one lump sum but it gets allocated to all the various depreciation and departments.
* Hankins asked what would happen about the useful life. Maggie we also try to repurpose them, there is always new positions and everyone seems to want a computer, we want to reurpose one instead of continually buying new ones.
* Au-Yeung asked what was housed under health and counselling services fee. Robinson stated that SWELL is not a part of the MSU that is paid for through McMaster, there funding will be equal for next year. Any funding for MSU student run services, could be some small changes but there is no significant decreases for any student run services. Health and counselling fee will encompass SHEC Maccess FCC and the WGEN and PCC. What we would normally call peer support services and FCC. Those would be considered mandatory.
* McDermott for the clubs space enhancements says it could be flooring, space, etc. Robinsons tated that this has been asked for for many years, they could really utilize it now, important access to clubs and feel connected to msua nd the clubs structure is important. The space right now is dated and the carpet is quite gross and the storage rooms are quite outdated. Initially requests 24k, I put forward 15k.
* Acri asked about how the reserves have accumulated. Robinson stated that when the MSU runs annual surpluses or deficits. MSU tries to run at at a non-cost producing. Many years that we haven’t spent as much, or spent more. Accumulated over many years.
* Hankins given the change in circumstances are we going to try and make that capital liquid. Maggie stated that we usually take that money and put it in investments, we decided to keep it in cas for now because we will have to cash it in anyways.
* Sinnige asked about the QSCC changed. Maggie stated tha ti was just a process.
* De Fazio asked to run through what would happen moving forward. Robinson stated that it would be the responsibility of Alex, AVP Finance and Finance committee. If there are budgeting services those would have to come to SRA. Likely it would be Alex making presentation to the SRA but the process depends on the scenario.
* Hankins – printer that the underground has requested, is that to replace how do we know its going to pay for itself. Robinson stated that large format printing has become one of the biggest revenue generators and financially lucrative. This year they are projected to bring in 40k of large format printing sales, and it is on its last legs. Our current printer is well over its useful life but still working, to replace it to continue lucrative business and int he short term to expand the operation.
* De Fazio asked how decisions were made for the 1280. Robinson stated that 1280 was an extremely important area of focus in my years. In the past 1280 had been financially lucrative from alcohol. Slowly has been reduced and has stopped. The desire from students has dropped. Not necessarily looking forward as a nightclub business looking at it as a food sale business, for student jobs and low cost high quality food. Done a lot of work to revamp the restaurant. Lots of good changes this year. The Grind sits underneath 1280 management. 247 deficit and from the numbers we are getting in we will be closer to 210, moving towards that path, if we had decided to increase food prices it would have helped. One of my suggestions is that food prices need to increase. This year for the first time in my experience I had to wait for tables. 58 is a lofty goal but it is the number one thing that we need to meet.
* Hankins would it not be cheaper to lease a printer than to buy. I don’t know if you can rent that particular type of machine, I know that it will generate a lot of revenue for them.
* Hassan asked about the capital budget for 1280, Alex said she would be doing a lot more renovation to signage. Robinson stated that when we had our first meeting we tried to add in the grind expansion, she is going to bring that forward in June. Space improvements not to say her idea was unoriginal, SRA gave me about 5k for space improvements but only spend 1k, her plan will be covered already.

**Vote on Motion**

**Passes Unanimously**

**2. Approve the expenditure of items from the 2019-2020 Capital Budget**

**Moved** by Robinson, **seconded** by Hankins that the Full Members of the Corporation approve the expenditure of the capital requests in the 2019-2020 Capital Budget as circulated.

* Robinson stated that we just approved the ideas are good ideas. We are alleviating some administrative steps for when they want to go do their purchases. Give the Managers of the departments and VP Finance the ability to make the purchases.

**Vote on Motion**

**Passes Unanimously**

**ADJOURNMENT**

**Moved** by Robinson, **second** by Hankins that the meeting of the Full Members of MSU Incorporated adjourn.

**Passes Unanimously**

/ef