



MEMO

From the office of the...

Vice-President (Finance) & CFO

TO: The Full Members of MSU Incorporated
FROM: Jeganiyah Jayachandran, Vice-President (Finance)
SUBJECT: 2022-2023 Budget Memo
DATE: April 24th, 2022 April 7, 2022

Dear Full Members of MSU Incorporated,

As outlined in Corporate Bylaw 3 – Finances, the VP finance, General Manager & Director of Finance work together in compiling budget requests from all department managers to present an Operating Budget & Capital Budget for the upcoming fiscal year. The budget will be reviewed by the Executive Board first, then presented to the Student Representative Assembly for official approval.

The timeline for this year’s budget process:

March 29, 2022 – Executive Board reviews the budget & provides any recommendations
April 7, 2022 – The recommended Operating & Capital Budgets are circulated to MSU Inc.
April 24, 2021 – MSU Inc. Votes on the approval of the recommended budget

Current Year in Review:

With the re-opening of services and constantly changing guidelines, this year was truly a unique experience for all. As the current year’s budget was proposed around uncertainties, many service budgets were reduced to reflect a partially virtual year. We do expect a full return to campus in the coming fiscal year & the allocated budgets reflect this. Revenue generation was difficult this year with the lack of students on campus throughout the fall term and part of the winter semester. As we approach the end of the current fiscal year, it is difficult to predict the outcome of our investments as well, especially considering fluctuations in the market.

2022-2023 Operating Budget Overview:

Below, some of the key departments/areas of the budget are highlighted, that have noticeable changes from the previous fiscal year’s budget.

Food & Beverage Operations:

Over the past five years alone, TwelvEighty & The Grind have generated a net loss of over \$800,000. Following the conditions set out by the SRA last year, a Request for Proposal (RFP) was posted & we welcomed proposals from several external companies to take over our current food and beverage operations. Based on recommendations from the advisory committee & Executive Board, we are pursuing an agreement with Compass Group. Compass Group will oversee all Food and beverage operations, including TwelvEighty (& the Grind), Union Market, and the grocery market in the new HUB building.

The HUB:

With the new HUB anticipated to open for Fall 2022, a new department has been allocated, outlining expected revenue, utility costs, and fees for occupancy. With the expansion of student activity space on campus, we see the need in structural changes to student life within the MSU & the potential for a new supervisory role to oversee the HUB.

The Silhouette:

The Silhouette was impacted by the pandemic & the shift to an online-based delivery service. With the reduced number of print issues throughout the year & the change in a more virtual format for newspapers currently, we expect the Silhouette to shift away from print issues except for popular issues & promotion via swag bags during Welcome Week. The budget accounts for these changes with a drop in printing expenses.

Underground Media & Design:

With the expectation of students on campus throughout the next year, the Underground expects an increase in print and design sales revenue. The opening of the HUB & the upgrades to the Campus Screen Network is also expected to produce revenue. The Underground has also been increasing its marketing strategies to not only engage and draw in students, but to increase its external client base as well

Part-Time Student Led Services:

As approved by the Executive Board last year, some services (SHEC, PCC, WGEN, Spark & Maccess) had a paid Assistant Director (AD) position added. This was the first year that these roles were included & has supported directors in running their services. Considering that the return to campus plan did not begin until mid-February, many services continue to run virtual programming to ensure accessibility. With the discontinuation of Horizons, Spark assumed the responsibilities during the summer, yet the budget did not reflect the costs associated with additional programming. As such, modifications have been made to the proposed 2022-2023 budget to account for the funding needed to run 2 services. Services Special Projects funding has also been increased to accommodate the need for additional funding to support joint initiatives among services.

Health, Dental & Student Assistance Plan (SAP):

Following negotiations with MSU insurance partners, there will be a slight increase in the premium collected per student for health insurance. Usage summaries indicated an increase in claims relative to the premium paid by the MSU. Although there was an increase in the premium, we have health reserves to support the Health & Dental plans so the student fee will only increase by Consumer Price Index (CPI) changes. The health and dental insurance fees per student will be \$106.00 and \$129.90, respectively. Please note that students will have the option to opt out of their health and/or dental fees, should they already have existing coverage. During the summer months, we re-evaluated our Student Assistance Plan (SAP) provider & have signed a contract with a new provider to better suit the needs of students.

2022-2023 Capital Budget Overview:

The process for Capital purchases is also outlined in Corporate Bylaw 3 (11). Approval would authorize the purchasing of hard goods, equipment, and resources that a manager reasonably expects to encounter in the next fiscal year; approval of this budget does not necessitate expenditure.

As an overview, below I have highlighted some of the funds allocated for the Capital budgets, per department.

- **Administration** – Replacement of computers (occurs in a multi-year cycle), new workstations for Junior & Senior IT techs
- **Campus Events** – New audio support (to support live streamed events), audio visual equipment (camera, video screens, support tablets & routers), stage lighting/lenses
- **Child Care Centre** – New fridge (recommended by health inspector), new tablets & cases
- **Communications & Marketing** – camera stabilizer, camera lighting and production equipment)
- **Silhouette** – Website upgrade, office space redesign (new sink, furniture, door, window)
- **Underground Media & Design** – iMac computer (to replace outdated PC & use same system as designers), replacement for monitors for the Campus Screen Network (3)
- **CFMU Inc** – Laptop (to replace damaged/broken laptop), new CFMU website (upgrade), new camera lens

Thank you for taking the time to review the memo and the proposed Operating & Capital Budgets. If you have any questions, please do not hesitate to reach out via email.

Kind regards,

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