



MEMO

From the office of the...
Vice-President Finance

TO: Executive Board
FROM: Sarphina Chui, Vice-President (Finance)
SUBJECT: 2023-2024 Operating and Capital Budgets
DATE: March 30th 2023

Dear Assembly,

As outlined in Corporate Bylaw 3- Finances, the VP Finance must compile budget requests from all department managers and work with the General Manager and Director of Finance to present an Operating Budget and Capital Budget for the upcoming year. The budget will be officially approved by the incoming Student Representative Assembly in the capacity of MSU Inc. Executive Board has reviewed and provided additional recommendations on March 30th before approving the budget.

The timeline for this year's budget process will be the following:

March 23rd, 2023:

Proposed budget sent to Executive Board to review and provide any recommendations.

March 30th, 2023:

The approved Operating and Capital Budgets are circulated to MSU Inc.

April 16th, 2023:

MSU Inc. votes on the recommended budget.

Current Year in Review:

This year was the first time in three years the MSU operated without any COVID-related shutdown or changes to service delivery. After this period of time, additional resources were needed to reignite campus life. I believe this will be a theme for the next 1-2 years as we support students in an incredible experience at McMaster. Below, I've also listed other themes that impact this year's and next year's budgets.

Inflation

The impact of increasing costs is reflected in every and all operating services. Not wanting to pass that cost on to students lowers our margins of revenue and increases our overall expenditure.

Start Up Costs

Having an amended service delivery model in the last few years has mandated the MSU to incur additional staffing, equipment, and resources costs in relaunching our 30+ services.

Marketing & Education

Many traditions, experiences, and insights have not been transitioned between students as it relates to the on-campus activities. To compensate for this, we have prioritized educating students on the services, resources, and events available to them.

2023-2024 Operating Budget Review:

With those themes as the backdrop, I present to you the 2023-24 budget, the following are the priorities outlined in the submission.

Support for MSU Clubs

This has been an ongoing ask by different student groups in the past few years, it is also reflected in mine and president-elect Jovan Popovic's platform. We have increased clubs' budget by \$90,000 this year, allowing clubs a total of \$180,000 to enrich McMaster's campus life. We are also considering additional staffing to expand the clubs' department in order to better support clubs. Furthermore, when the HUB is in operation, clubs would then have access to new space for events and gatherings.

Increased Funding for On-Campus Events

Campus events are one of the most direct services that drive up campus spirit, aligning with the president-elect's platform goals, I have significantly increased campus events' have fall-term and winter-term programming funds to substantially increase the types and amount of programming they provide to student life. From low energy level activities to large scale campus-wide events to everything in between, this will be one of the most impactful funding increases for the student life experience. We will also promote collaboration with the departments of Clubs, services, and the HUB.

HUB Opening

After many delays, the 2023-2024 school year will see the opening of the HUB which will address a much-discussed issue on campus, space for non-academic events and social activity. There will be bookable spaces for clubs/services to run various styles of events. We have estimated the amount needed to fully operate the HUB.

Promotions & Marketing

I believe one of the most direct ways to give back to students is through MSU swag. In consultation with the communications department, we are increasing the amount of swag giveaway to students to drive up MSU's brand recognition and engagement.

Investment in Technology

The Information & Technology Committee has requested additional resources to improve how we digitally interface with students and staff alike as reflected in the operating budget. In addition, the capital budget highlights a need to

provide students and staff with additional resources to execute their roles in today's environment.

Beyond these themes, I have outlined some key departments/areas of the budget below that I would like to ensure are highlighted.

Food & Beverage:

For the first time in many years, we are finally seeing a turnaround in revenue from the Food & Beverage operation in our partnership with Compass-Chartwells, however, there were lower volumes of revenue generated than projected. We will continue to develop strategic plans that integrate Compass-Chartwells into MSU-led events in order to enhance brand recognition and engagement.

Underground Media & Design:

As a revenue-generating center, the Underground continues to face the challenge in reaching previous revenue levels. As new staff members are finally fully onboarded to the team, in this upcoming fiscal, it is expected that there will be greater revenue generated since COVID.

Part-time led Services:

In consultation with our PTMS, a common struggle across services is the ability to afford volunteer recognition gift at the end of the school year. Part-time services volunteers will now all receive services merch in the beginning of October instead of at the end of the year. This better increase our brand recognition and will be managed by VP Finance.

Advocacy:

There will be a slight increase in the OUSA membership fee for next year. In addition, our observation with CASA will determine the need for a membership fee for the 2025-2026 school year.

Compass Information Centre:

We are developing an I/t plan for space usage, which would have a budget impact.

Health, Dental & Student Assistance Plan:

As we continue to provide students with Student Assistance Plan (SAP) at no cost, we would like to investigate different options/coverage of SAPs that support preventative therapy/ counselling.

2023-2024 Capital Budget Overview:

The process for Capital purchases is outlined in Bylaw 3 (11). Approval of this budget does not necessitate the expenditure but rather allows for the allocation of capital expenses.

As an overview, below is a highlight of some of the funds allocated for the Capital Budget.

- Administration: Additional cubicles to provide more support for hybrid workspace
- Campus Events: Tools and additional resources for proper operation
- Information & Technology: Replacement for computers (occurs on a multi-year cycle). Investment in renewing our website, specifically to address the problems with the HR Module, E-Commerce Module, and likely improve Clubs usage
- Underground Media & Design: replace old broken appliance
- Clubs: Furniture renewal in clubs space
- Marketing & Communications: update of equipment's to continue to operate and preform to expected level of operations
- CFMU Inc.: Resources required for proper operation

Beyond the approval of the budget, there are other items of which members of the corporation should be aware. Ideally, these items can be discussed in the coming months by the 2023-24 SRA, Board of Directors, and staff.

- Completion of the Compensation & Benefits Review - We expect this process to conclude in the summer of 2023. To ensure market competitiveness, fair wages, and pay equity compliance we do assume there will be slight adjustments to compensation levels of both part- and full-time staff during the 23-24 fiscal year.
- Future costs associated with the Hub - We expect the opening of the Hub to be in July/August of 23-24. Therefore, we can expect this year to be an additional operating expense. Just as important is understanding student wants from the space once operational.

Thank you for taking the time to review this memo and the proposed budget. A big thank you to John, Sean, and all the department managers in the development of this budget. I will make myself as accessible as possible to answer any questions that you have. Please do not hesitate to email me with questions.

Warm regards,



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