
AMS Finance Committee

Minutes of June 7, 2019

Attendance

Present: Lucia Liang (AMS VP Finance), Katherine Westerlund (Councillor), Arash Shadkam (Councillor), Samuel Kemp (student at large), Noah Mossey (student at large), Keith Hester (Managing Director, non-voting), Grace Ji (AVP Finance, non-voting)

Guests: Asad Ali (AMS Events), Rishavraj Das (AMS Events)

Regrets: Chris Hakim (AMS President), Max Holmes (Councillor)

Recording Secretary: (Grace Ji, AVP Finance)

Call to Order

The meeting was called to order at 9:12 AM.

Agenda

1. Approval of last meeting's minutes
2. Budget

Approval of Minutes

Moved: Noah

Seconded: Sam

Be it resolved that the minutes of June 3, 2019 are adopted.

[The motion carries.]

Budget

- *The AMS events team was invited to present on their budgets.*
- [Asad]: The largest portion of expenditures comes from salary (i.e. 2 full-time and 2 part-time staff). Many expenses remained the same (i.e. office expenses, media budget). Advertisement costs increased by \$2,000 given its importance for sales. The volunteer/staff appreciation expense also increased which we believe is reasonable as the \$5,000 is split between 100 people. Also, we anticipate an increase in expenses to secure well-known artists/guests.

- [Samuel]: What explains the salary and wage increase of \$25,000?
- [Asad]: An increase in full-time staff.
- [Noah]: What about the \$6,000 increase for advertising and promotion?
- [Asad]: The breakdown of the advertising expense relates to branding. Specifically, this includes the recap video and photo album, hiring 4-5 graphic designers. We'll also be spending \$16,000 for advertising and promotions, photographers, videographers and other expenses.
- [Katherine]: Can you explain to me the individual events per team?
- [Asad]: Each team has the ability to organize their own events (e.g. brew fest).
- [Keith]: Can you walk us through why the budget is broken down into individual components?
- [Asad]: Every component is unique. Breaking it down this way makes it easier to see expenses especially since we host ~150 events annually.
- [Katherine]: What metrics do you collect?
- [Asad]: We use Facebook analytics and we aim to sell out our events as much as possible. We also collect information from Showpass to give us data on demographics.
- [Katherine]: Can you talk a bit more about salaries?
- [Asad]: We have 4 coordinators who are students and 10 associates that execute events. For AMS First Week, we have a few more coordinators and there are contractors we hire for technical set up etc.
- [Katherine]: How do you know when you're oversaturating the market?
- [Asad]: We don't believe we'll oversaturate the market since there are 56,000 students at UBC. Our team believes we're doing too little since our goal is to grow.
- [Rishavraj]: When you take out First Week events, it evens out to around two events per week.
- [Asad]: That's true since we host 50 events over 2 weeks for First Week.
- [Katherine]: What's the distribution of attendees?
- [Asad]: It depends on the event. But the reason we do this many events is to get a larger variety of attendees.

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- [Grace]: How do you collect feedback? Just to clarify, do you aim to breakeven?
 - [Asad]: We don't collect feedback for smaller events but for the bigger ones, we have a feedback form. Also, we have 70 volunteers and 10 paid staff who actively listen to students for feedback during and after events (e.g. complaints about the lineup for block party). Also, every event is intended to breakeven.
 - [Keith]: The budget is usually planned to anticipate a loss to keep it conservative.
 - [Asad]: It's better to account for the loss but normally it ends up being positive. On to First Week, we hired two people rather than three which saved us a few thousand dollars. First Week material expenses have increased due of inflation. We'll probably spend around \$25,000 but we wanted to have extra just in case. Advertising and promotional costs increased to \$15,000. This is comprised of 40 albums and 2 videos we're aiming to make. For First Week kits, we normally aim for 75% sell-out but they have always been sold out in the past. First Week mostly makes money off sponsorship revenue. Also, you'll notice how each of the events is broken down by cost in the detailed plan.
 - [Samuel]: How many first-year students come in?
 - [Asad]: Around 10,000 and while some of these events are 19+, many are age-inclusive.
 - [Katherine]: Why is there a DJ at the Pit event?
 - [Asad]: We want to showcase the impressive talent we can bring in. Keep in mind that costs for our events at the Pit haven't exceeded \$25,000. Considering the experience for students and the low cost we incur, it's a win for everyone.
 - [Arash]: What is this increase in benefits for First Week? Why is it not reflected for everyone else?
 - [Katherine]: I think his question is why the benefits line increased but the salary and wages decreased.
 - [Asad]: It's normally just the standard 4% of salaries and wages that comprise benefits but that may be an error, we'll look into that.
 - [Arash]: All of our revenue predictions are quite conservative. Is that what we're comfortable with?
 - [Katherine]: What part are you looking at?
 - [Arash]: Line item 65 for the Welcome Back BBQ.
 - [Asad]: We're trying to be conservative in predicting a 75% sellout. Extra sales will benefit the bottom line.

- [Katherine]: Where is the food expense?
- [Asad]: We bring in food trucks and charge them for food.
- [Asad]: Moving onto the Welcome Back BBQ. The pricing tiers this year range from \$15 to \$45, increasing by increments of \$5. We want to give students the impression that we're decreasing our prices. We count \$15 from the kits sold as part of ticket sales here too. Each food truck that comes in provides some revenue. Sponsors do as well. Beer sales account for \$25,000. The salaries and wages expense include contractors hired (i.e. managers and security). We have an expense for lights and sound. Based on years of negotiations, many of our costs are cut down to 65% of regular price. The only increases come from inflation, artists becoming more expensive, US currency appreciation, and changes to student demand. At the end of the WBBBQ, we're expecting to lose \$48,000; I see us realistically losing \$20,000 which can be covered by selling ~500 extra tickets. This does imply higher advertising costs. Also, promotions should be a joint effort [from council].
- [Samuel]: Why did your miscellaneous expenses increase by \$3,000?
- [Asad]: That's the Blueprint fee, ticket-printing costs, our contingency fund etc. Blueprint is the company we go through to secure our artists. We have a partnership with them so they'll book artists for us and we pay them a fee since they hold a local monopoly on artist bookings. For example, with Tyga, we booked him for \$75,000 even though he normally charges \$100,000.
- [Katherine]: To clarify, council is not responsible for promoting AMS events. On another note, why are we expecting to sell out less than last year?
- [Asad]: We should all contribute as these are events done by students for students. The reason we've decreased sales this year is based on industry information as many festivals have been cancelled. We want to gain a larger market share of festival participants which we could do so if we open our events to the public since we currently only sell 500 tickets to the public. Also, we charge more to the public (\$15 for UBC students and \$55 for non-UBC students). But again, this requires more marketing.
- [Samuel]: Would you say the poor lineup from last year will affect the turnout this year?
- [Asad]: No, but it depends on what the lineup is. We want to bring in someone who's popular and that the students can relate to. As long as we sell out our event, we've done our job but we also want to cater to AMS's capacity and be mindful of the budget.
- [Asad]: Going over block party, the general expectation is that people will attend. 5 food trucks will arrive and be charged. The talent budget has increased because artists are more costly to book. We'll use \$160,000 to book artists and the remainder for transportation and other costs.

- [Samuel]: Why did insurance costs go down for Block Party and Welcome Back BBQ?
- [Asad]: We extended the current AMS insurance policy instead of having separate policies.
- [Samuel]: What's miscellaneous revenue?
- [Asad]: Revenue from the Pit etc.
- [Grace]: What happened to Keg rebates?
- [Asad]: We're switching to cans. We can sell more per can.
- [Grace]: Where is that reflected in the food & beverage revenues? Or is something else driving down?
- [Asad]: We are still evaluating the budget. The music festival market is a very volatile which is why we're trying to be conservative.
- [Arash]: Is line item 104 (miscellaneous expense) just contingency?
- [Asad]: That includes contingency, Blueprint costs, costs to print tickets etc.
- [Katherine]: Can we add more line items? I think it would make a lot more sense in the future. We should also delete line items that have been inactive, it'll be easier to read.
- [Asad]: We tried but Amy's goal is to make sure AMS's accounting system remains consistent. Items need to have been inactive for 4-5 years before they can be deleted.
- [Katherine]: Security costs increased by 3K, is this due to the minimum wage increase?
- [Asad]: Yes.
- [Katherine]: Why has the lights expense has changed?
- [Asad]: We secured a better deal.

Next Meeting

The next scheduled meeting is June 10th, 2019.

Adjourn

The meeting was adjourned at 10:16 AM.