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**AMS Finance Committee**

Minutes of June 10, 2019

**Attendance**

Present: Lucia Liang (AMS VP Finance), Chris Hakim (AMS President), Max Holmes (Councillor), Katherine Westerlund (Councillor), Arash Shadkam (Councillor), Samuel Kemp (student at large), Noah Mossey (student at large), Grace Ji (AVP Finance, non-voting),

Guests: Cristina Initchi (VP External)

Regrets: Keith Hester (Managing Director, non voting)

Recording Secretary: (Grace Ji, AVP Finance)

**Call to Order**

The meeting was called to order at 2:05 PM.

**Agenda**

- 1) Approval of Agenda
- 2) Approval of last meeting's minutes
- 3) Capital Projects Fund
- 4) Budget
  - a) Update on adjustments made towards the budget
  - b) Contingency fund
- 5) Approval of the budget

**Approval of Agenda**

Moved: Arash

Seconded: Noah

Be it resolved that the agenda of June 10, 2019 is adopted.

*[The motion carries.]*

**Approval of Minutes**

Moved: Noah

Seconded: Katherine

Be it resolved that the minutes of June 7, 2019 are adopted.

*[The motion carries.]*

**Capital Projects Fund**

- Lucia gave a brief presentation on this agenda item. The furniture in the gallery upstairs is getting old and would require around \$8,000 to replace. The capital projects fund would be used for it.
- [Max]: Do you mean SUB repairs and renewal fund?
- [Lucia]: Yes.

Moved: Noah

Seconded: Katherine

Be it resolved that this proposal is adopted.

*[The motion carries.]*

**Budget**

- *Cristina (VP External) was invited to explain her budget edits.*
- [Cristina]: Changes were made to support Ontario students' participation at SUDS. Research expenses increased because of participation in the housing survey which is a cost shared by other organizations. We're trying to budget conservatively.
- *Finance committee approved of changes to the VP External budget. Lucia briefly explained changes to the president's portfolio while waiting for Chris to arrive.*
- [Lucia]: Expenses under the President's portfolio increased due to an earlier hiring cycle. Also, staff and volunteer appreciation costs were combined.
- [Katherine]: This should be called "Council appreciation".
- [Lucia]: Noted. We also increased advertising costs.
- [Katherine]: What will that get you? How is it being spent?
- [Lucia]: Advertising is quite expensive. On a related note, what is the turnout for AGM.
- [Max]: 10-50 people but we need 500.

- [Lucia]: Miscellaneous expense was removed. The Ombudsperson expense increased by \$2,500.
- [Max]: Whenever HR changes (i.e. hours and personnel hired) are made, they need to be approved by HR and Finance Committee. These changes should be brought up at Finance Committee because it has financial implications to other operations in their portfolio.
- [Katherine]: This should be a bigger conversation about staff changes.
- [Lucia]: On another note, when a club overspends from their budget, I plan to freeze their account. What is your opinion of this?
- [Katherine]: I would recommend that if Finance Committee meets weekly or biweekly, we can temporarily freeze their account and ask that the club come in and present on their situation to us.
- [Lucia]: Is it reasonable to meet weekly?
- [Max]: I think it depends on how much they overspend, it's at your discretion.
- [Katherine]: For the EUS, we go with 15% of their assets or \$500 (whichever is lower). You could do something similar based on the scale of what you're working with.
- [Chris]: To clarify, the increase in AGM costs arises from advertising expenses in order to reach quorum.
- [Katherine]: I don't think that's an effective use of funds.
- [Arash]: How much was used last year?
- [Chris]: \$500.
- [Max]: I think \$750 is appropriate.
- [Katherine]: I think \$1000 is appropriate.
- [Chris]: So what would you reduce it to?
- [Katherine/Max]: 750. At some point, the promotional costs stop being effective.
- [Chris]: Relating to salary, we were planning on hiring an SLF executive projects assistant in September but now we're aiming to hire in July because we are overworked for SUDS.
- [Katherine]: So we want to hire another member?

- [Max]: Is there anyone we can move around? Maybe another person from another portfolio?
- [Chris]: People perform different roles and have different qualifications.
- [Katherine]: What is our current process of hiring within student government? It seems like there are a lot of positions where we change the number of hours or the position duration. But it's confusing as to why these changes don't come to Finance Committee first.
- [Chris]: When someone is in the position, we bring proposed changes to HR. When there's no one in the position at the time, we change it on the back-end. When it comes to hiring people later in the year, we would come to HR and Finance Committee. Usually we bring these things up to our committees when there's a drastic change in role.
- [Katherine]: Why would it not come to Finance Committee too?
- [Chris]: Usually the HR chair will coordinate with Finance Committee chair.
- [Max]: If HR committee is approving anything relating to financials, that should come to Finance Committee. If there are changes made to council positions or portfolios, it should come to Finance Committee.
- [Chris]: I'll note that down as part of the changes we want to make.
- [Arash]: So on the hiring side of things, I remember from last year that for the ombudsperson and the elections person, it went from the HR Committee to Finance Committee.
- [Chris]: For the Executive Committee, there's nothing in code relating to formal protocol.
- [Katherine]: We should then talk about that.
- [Max]: We have a full elections team with people hired for the entire year. Why are we not asking UBC to pay for the senate positions? They're UBC positions.
- [Chris]: The university has no requirement that Senators promote themselves.
- [Katherine]: It could be argued that it's a service. We should open this up to UBC and ask for a 50-50 system.

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- [Max]: I see Elections administrators as a FT position during that time but not the rest of the year. You can limit the amount of time there along with when and where money is spent on elections.
  - [Chris]: Once our goals are approved, we can look into this more.
  - [Lucia]: When does the budget reforecast happen?
  - [Chris]: January or February.
  - [Chris/Katherine]: It's when we adjust the budget to reflect actuals.
  - [Katherine]: Could we get HR to do a more general look at all the positions?
  - [Chris]: We'll do an audit related to HR (e.g. turnover rates etc.).
  - [Max]: We should at some point do a joint committee meeting with HR.
  - [Chris]: We can allocate for that as part of a larger budgeting item.
  - [Lucia]: So are we leaving the elections budget as is until HR figures out how they can cut their budget. Then we can make the decision at council.
  - *Finance Committee approved the elections budget.*
  - [Katherine]: What would the food/refreshments expense be aside from food at a forum? What would you pay for other than food?
  - [Chris]: We pay for the cost of labour.
  - [Katherine]: Why do we have the equivalent of 2 full-time staff then?
  - [Chris]: if we find it anywhere where positions are duplicated, we'll adjust that.
  - [Katherine]: What did we do so differently that we've increased those costs that much?
  - Max: That was my year and I know what the actuals were, they're different from the budget; got \$4,000 from Ubysey.
  - Chris: The actuals for 2016/17 were \$5,000.
  - [Max]: We could reallocate and hire more poll clerks etc.
  - [Chris]: We can look into that.
  - [Max]: We can approve the Student Government as is and move onto contingency.

- *Finance Committee approved the student government budget.*
- [Lucia]: Salary and relationship with HR will be part of fincom goals
- [Lucia]: Moving into contingency, we kept this amount at 7%. (e.g. for student services, we added 20K for legal expenses and 30K for communication and advertising under the ancillary budget.)
- [Max]: What is this increase in advertising and promotions? Can you talk about it?
- [Chris]: It's for AMS branding. This allows us to expand into photo shoots and video promotions and would allow us to do various things for the AMS. We want to build up the level of engagement for students through various means. For instance, we're expanding positions (e.g. hiring a WeChat coordinator). This is a good first step for the AMS communications departments.
- [Max]: I would want to see more detail about the contingency costs. For example, what are we doing with the \$30,000?
- [Chris]: Video promotions, ads.
- [Max]: That doesn't seem like a concrete plan.
- [Chris]: Executives want to focus on student engagement especially through new positions that have been created.
- [Max]: I would want to see the benefits of the \$30,000.
- [Chris]: We definitely can report back. We're doing a lot of different audits to understand the different mediums and gaps and where they exist. We'll be reviewing the AMS as a whole to see where the gaps are.
- [Katherine]: Can we get funding in to change the misspelled signs (i.e. Outside Grand Noodle Emporium).
- [Chris]: Yes.
- [Arash]: I'm also wary about the \$30,000 since there's already \$15,000 allocated for professional services.
- [Chris]: This is in a lot of ways, a new department since we're expanding. We'll be able to better gauge costs as we move on and we can definitely change this in the reforecast.

- [Max]: I would consider it an evolving department. I'm hesitant to approve \$30,000 for advertisement. I'm hesitant about this and less hesitant about investing in services.
- [Chris]: One of the specific executive goals is regarding communications. I think I'm echoing a similar sentiment that Eric has shared about how this is an evolving department with a lot of new roles. The funding gives them more to work with. For example, Ian wants to do communications for the Services department as well.
- [Katherine/Max]: How detailed of a breakdown can you bring in over the 2 weeks?
- [Max]: Some items are more easily explained like the legal expenses. But keep in mind that this is something people will ask about in council.
- [Chris]: We'll come up with some more concrete ideas by next week as well but this is a developing department and with positions that previously weren't there. This budget gives us the flexibility to pursue various projects.
- [Lucia]: Can we request Eric to create a more detailed budget like AMS events?
- [Chris]: I think we probably don't have time to do that this year.
- [Katherine]: So why don't we split the \$30,000 between services and this.
- [Chris]: We're still waiting for the services review to understand where we should be spending.
- [Max]: I don't think it makes sense for us to wait. We could look at the impact of increased investments in services as part of the review. The question is about where this investment is going towards and I think we could have done more for services.
- [Chris]: If we want to expand services, we would need a mindful and data-driven approach.
- [Max]: You can increase the investment (as was the case for advocacy). The services review is meant to look at the entire student body and see where you should add new services and investment. If we're trying to better understand the demands of today, I think we can already see from what's going on now. For that reason, I think there's more that could've been done.
- [Chris]: I think that's for a larger conversation.

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- [Katherine]: So put the excess funding (\$15,000) into something else. I'm sure there are more effective ways to reach out and support the student body especially since you're saying there's already an increase in personnel.
  - [Chris]: I think those two arguments are separate. We need to invest enough to allow staff to work on whatever they're doing. There needs to be more funding
  - [Max]: If there's a significant change to communications, we should have a comprehensive plan (with financials) for council. This has to be done before the school year. If you're going to have a transformative change to communications, it needs to be explained to council. It's easy for new departments to burn cash otherwise. I'm fine approving the \$30,000 if it's attached to something. I would hope that there's some commitment to come back and discuss a fuller plan.
  - [Chris]: We can come back before September with a concrete plan. I would want to wait until the communications review is completed but we will come back with a plan.
  - [Katherine]: Are we developing the strategic plan this year? Should we be budgeting money for that?
  - [Chris]: No, that would come out of special projects cost from the executive committee. We've budgeted \$2,000 which is what was spent towards SVPRO (town hall, consultations with lots of individual stakeholders).
  - [Katherine]: SVPRO is a small portion of the Strategic Plan, you should see a much larger budget for this. We would want increased funding for this to create a better plan.
  - [Chris]: I can increase the Special Projects budget to \$3,500.
  - [Arash]: Just to recap, for the food bank, the special projects budget is actually supposed to be maintenance cost. This is the same for every other services body.
  - [Chris]: Right, thank you for catching that.
  - [Katherine]: Could we consider putting it under a manager's computer "software/hardware" expense? Couldn't we centralize it?
  - [Chris]: We split it up to demonstrate which specific service is using Olivewood. The centralized model assumes all our services use Olivewood which isn't true.
  - [Katherine]: Currently, all the services use Olivewood. So instead of having seven different budget lines, we could just move it to the "software/hardware" line under the student services manager.



- [Chris/Lucia]: Okay, we'll do that.
- [Arash]: And as we were discussing last meeting, for the AMS events tab, the benefits line seems to have the wrong number?
- [Chris]: We'll change it for our next meeting.
- [Max]: We can do an email vote on the budget. You'll just have to send it out 48 hours before our next meeting.
- [Lucia]: So we can vote on it for our next meeting.
- [Chris]: Is there anything else?
- [Arash]: What about monitoring? Right now, we're budgeting very conservatively. We built some contingencies into it which means we might end up in a situation where we seem to do really well but it's actually misleading. Right now, we're budgeting for the full year and then dividing it by quarters but what does that really say? Some costs, however, don't come up every quarter so timing becomes an issue too.
- [Chris]: Relating to the strategic plan, the visioning aspect is a big area we want to work on and it'll play into the financial aspect of things. This is a bigger question of how to improve the financial process of the AMS.
- [Arash]: I don't see any issue with reporting quarterly, I think it's the budgeting.
- [Max]: Quarterly reports is useless because we don't do a quarterly budget. If reporting forecasting quarterly, we need to do a quarterly forecast. I also worry about the conservative budgeting. We budget less than we actually get which means we rack up on surpluses without knowing what to do with them.
- [Chris]: By the third quarter, we can estimate what we should have for the next year. This is a whole review that we want to have under this committee.

**Next Meeting**

The next scheduled meeting is June 14th, 2019.

**Adjourn**

The meeting was adjourned at 1:41 PM.