



**THE ALMA MATER SOCIETY
OF THE UNIVERSITY OF BRITISH COLUMBIA VANCOUVER**

AMS EXECUTIVE COMMITTEE

Minutes of October 14, 2020

Attendance

Present: Cole Evans (President), Lucia Liang (VP Finance), Georgia Yee (VP Academic & University Affairs), Sylvester Mensah Jr. (VP Administration), Kalith Nanayakkara (VP External), Ian Stone (Student Services Manager), Keith Hester (Managing Director), Sheldon Goldfarb (Archivist & Clerk of Council)

Recording Secretary: Sheldon Goldfarb

Call to Order

- The meeting was called to order at 12:11 pm and took place by videoconference.

Agenda

- The agenda was adopted (Sylvester, Georgia).

Minutes

- The minutes of October 7 were approved as corrected (Kalith, Georgia).

Audit

- Keith:
 - We use fund accounting, not traditional profit and loss accounting:
 - We reset to zero every year.
 - Any surplus goes to the funds.
 - Surplus is usually not from operations but from fees, though last year's business operations did contribute to the surplus.
 - We have assets of \$126 million, including:
 - A 55-year lease on the building (though the building goes back to the University at the end of the lease even though we paid for building it).
 - Art collection.
 - Investments: short term from fees, long term from funds.
 - Property and Equipment.
 - Funds, which are both an asset and liability: they derive from fees that come in, but then we have to distribute the money.
 - Cash.
 - Our total liability is \$94 million, including:

- Debt on the building of \$60 million (we've paid off a fair bit; will pay it off in total in 16 years).
- Clubs and Constituencies funds (owed to them).
- Deferred capital contribution: UBC gave us \$25 million for the building (have to amortize that).
- Accumulated deficit of \$4.2 million.
- Good News:
 - \$2.25 million surplus, our highest ever.
 - Health & Dental fees were over collected.
 - We underused several funds: didn't give out money.
 - Used to give \$100,000 a year to UBC for child care, but now there's money accumulating in a child care fund.
- Bad News:
 - AMS deficit.
 - Been in deficit for a while, back to 2016.
 - As much as \$5 million in 2018 because of renovations in the Life Building.
 - Reduced in 2019 by \$1 million, but it's gone up again this year.
 - 2019-20 saw an increase in the deficit of \$227,000:
 - There was a reduced business contribution: down from \$1 million to \$600,000.
 - Reduction in investments from \$600,000 to \$450,000.
 - Increased spending.
 - Partially offset by student fee revenue.
 - Debt (what we owe externally):
 - We refinanced the Nest loan to make it repayable over 19 years: now there's 16 years to go. This will save us \$70 million. Future students won't have to pay the \$100 New SUB fee after another 15 years.
 - \$68 million loan from UBC for the Nest.
 - With refinancing, speeding up of payments: currently a \$58.8 million debt.
 - So our deficit is \$4.2 million and our debt is \$58.8 million.

Questions

- Sylvester:
 - Giving back the building at the end of the lease, in 55 years.
 - Do we have to do that, or could we renegotiate?
 - Will the AMS no longer exist?
- Keith:
 - It's not that the AMS disappears, just the lease is up.
 - In 50 years time hopefully we'll have a new building and we'll move into that.

- Or if we decide we like our building or its location in the centre of campus, we may want to renegotiate and stay here.
 - It's unlikely there will be any other space in the centre of campus.
- Cole:
 - In 55 years things will be built that are unfathomable to us.
- Keith:
 - The concrete bunker next door (the Old SUB, now the Life Building): everyone thought that was a great idea at the time, but would anyone want to work there now?
- Cole:
 - The Nest will depreciate and be half as valuable in 25 years?
- Keith:
 - Yes.
- Ian:
 - Changing the loan provider led to a jump in the repayment per year?
- Keith:
 - The UBC loan was for 35 years.
 - Now we'll repay much quicker (19 years or even sooner).
- Ian:
 - With the repayments going up, that means more for capital and less for interest?
- Keith:
 - Yes.
- Ian:
 - We could lower the deficit through better performing investments and businesses, and less spending?
- Keith:
 - Or we could look at increasing fee revenue.
- Lucia:
 - Or maneuver funds around.
- Ian:
 - Is \$58 million a healthy amount of debt?
 - If we want to pay for the housing co-op project, what constraints would there be?
- Lucia:
 - We can't borrow any more from the bank.
 - Can't take on any more debt: that's a constraint.
 - Can we borrow from UBC?
- Keith:
 - No, that's not allowed.

- One of the provisions of our new agreement: we can't take on any more debt.
 - Debt/service ratio.
 - We can't guarantee any loans.
- Ian:
 - So any new project would have to come from an increase in fees.
- Georgia:
 - Do we have strategies for utilizing our funds better?
- Lucia:
 - Working on that.
 - Making the Clubs Benefit Fund and the Sustainability Projects Fund more accessible.
 - Lots of factors involved:
 - Advertising.
 - Campaigning.
 - Barriers to access: applications that don't fit criteria.
 - Looking to reduce barriers.
 - Over-collection of Health & Dental fees: going to increase the Mental Health Benefit.
 - Could look into Child Care Bursary Fund.
 - Need long-term planning and consultation: can't just spend it all.
 - E-Hub competitions for the Student Initiatives Fund.
- Georgia:
 - Any possibility of using funds for COVID-related purposes?
- Lucia:
 - Keith and I had conversations about the Mental Health subsidy.
 - But can't use money from restricted funds for other purposes.
- Sylvester:
 - The Mental Health Fund is from over-collection of Health & Dental fees?
- Lucia:
 - Yes.
- Sylvester:
 - So that can go ahead.
- Lucia:
 - Yes, but it's not up to me. Have to consult. Collaborate with various departments.
 - Once a subsidy is established, it's hard to take away.
 - If it's for COVID now, but later it's not needed ...
 - Applications have increased this year, but not significantly.
 - Lots of work and thought needed.

- A lot of funds get set up but are not sustainable: the Student Initiatives Fund at \$5,000 a year.
- Sylvester:
 - The VP Students has offered us money for free masks, but we have to contribute.
 - Georgia and I are working on that.
- Lucia:
 - We can use the Health & Dental fund.
 - Waiting to hear from the VP Students.
 - No set dollar amounts yet.
- Sylvester:
 - Probably getting final quotes soon.

AGM

- Cole:
 - Launched our email yesterday.
 - On track to hit quorum. Exciting.
 - Collective Executive update at the AGM:
 - Really quick, just the top three cool things from each Executive.
 - Then open up the floor to ask questions of the Executives.
 - A semi-Town Hall.
 - Want to keep the AGM as brief as possible: don't want to drag students through a 90-minute-long meeting. Want to keep people engaged.
- Keith:
 - Need to adopt the financial statements.
 - Do you want a presentation?
- Cole:
 - Probably need a quick presentation.
- Keith:
 - Not very exciting.
- Cole:
 - Have to look into the technology of talking on Zoom.

Climate Emergency

- Georgia:
 - Resent document.
 - Identifying priorities.
 - Intent is about directing the AMS Executive.
 - Want a motion to show the University we have the backing of AMS Council.
 - \$1.5 million surplus: allocation to climate emergency.
 - Hoping to get matching funding.

- Endorsing the climate strike.
 - Important to show our support.
- Sylvester:
 - This will show we are committing to the priorities.
 - Clarification: The money is going to the Climate Hub for student projects?
- Georgia:
 - The report outlines student-facing projects.
 - Not the Climate Hub: looking at UBC departments or units, e.g., the Climate Emergency Action Task Force.
 - A committee to adjudicate proposed projects.
- Cole:
 - Still have to figure out where the money's going.
 - It's not established how it will be administered.
 - A report is coming.
 - This is very much at the proposal stage, not really at the funding breakdown stage.
 - Waiting to hear back.
 - The Board of Governors is still deciding.
 - We haven't seen the numbers yet.
- Sylvester:
 - Don't want the funds administered by someone else.
- Georgia:
 - Next step: governance of the fund.
 - Looking at BIPOC-specific projects.

Adjournment

- The meeting was adjourned at 1:02 pm.