

**AMS Finance Committee**Agenda of December 4<sup>th</sup>, 2020

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**AMS Finance Committee****December 4th, 2020****Attendance**

Committee members:

Lucia Liang (AMS VP Finance)

Cole Evans (AMS President)

Katherine Feng

James Chen

Jimmy Kim

Emma Borhi

Kamil Kanji

Keith Hester (Managing Director, non-voting)

Mary Gan (Non-Voting, AVP Finance)

**Present:** Lucia Liang, Cole Evans, Katherine Feng, James Chen, Jimmy Kim, Keith Hester, Mary Gan**Guests:****Regrets:** Emma Borhi, Kamil Kanji**Recording Secretary:** [AVP Finance]**Call to Order**

The meeting was called to order at 4:06 PM.

Prepared by: Lucia Liang

VP Finance

**Adoption of Agenda (3 min)**

MOVED by Katherine, SECONDED by Jimmy

“BE IT RESOLVED THAT the agenda be adopted”

**1. Bike Kitchen Short-Term Loan**

MOVED by \_\_\_\_\_, SECONDED by \_\_\_\_\_

“BE IT RESOLVED that the Bike Kitchen Short-Term Loan Application for \$25,000 is approved.”

Mary

- They currently need to earn more money but they need to purchase repair parts in order to use in repairs/sell
- Needs to spend money to earn money
- Marketing budget increase may not be possible to increase revenue as the money must go to

Lucia

- Has a small ~12k deficit right now and so they need to pay that off, plus some more money for parts that they can use to repair bikes and sell
- \$25,000 is enough for them to buy parts/repair bikes and use the revenue to pay off the \$12,000 deficit

Cole

- Doesn't see a plan if we give them more money, how would they spend it? May be overly optimistic
- Their statement that a marketing budget increase will not improve revenue is debatable

Lucia

- If we have their \$12k deficit and the \$25k loan, it would be \$38k to return back to the AMS

Prepared by: Lucia Liang

VP Finance



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- Look into merging two accounts together of Bike Kitchen and Bike Coop so that they're not in a deficit
  - Bike Coop may have to reduce people working there since entire Bike Kitchen fee may be paying salaries right now and not a lot of it is going towards parts, etc

Cole

- We shouldn't authorize \$25k without it going to council
- We should put a threshold of what Finance Committee can pass and what must go to Council for approval

James

- Not sure if pouring more money into the Bike Kitchen would help- they had to turn away repairs?

Mary

- Had to turn away repairs because not enough staff- staff are few and hard to train, takes 6-12 months

Sylvester

- Bike Kitchen was not operational for a while during the beginning of the pandemic
- Managers may have been continued to be paid when the store was closed
- Should not warrant same compensation when the store is closed as when the store is open
- Should discuss with them in terms of cutting down costs to reduce salary if store is closed

Keith

- They have been in debt for around the past 10 years, was in trailers that were AMS-paid
- We need to investigate more, perhaps ask them to come in and have a presentation

James

- Lots of critical assumptions made in the budget proposal (~\$20k assumed)
- Assuming mandate of \$1 fee increase will happen
- Assuming these revenues on hypothetical situations

Prepared by: Lucia Liang

VP Finance



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- Assuming that business will go back to pre-COVID-19 operations

Cole

- Has not demonstrated clearly that they would be profitable in 4 years, only hypothetical scenario that could potentially happen
- If they can show us with confidence that they will be able to pay off the loan and be sustainable- if not, then this conversation needs to move to a bail-out conversation (ex. Giving them lumpsum to pay off deficit and reform/change structure so that it can be sustainable in the future)
- Prove confidence in paying loan to us or we can have bail-out conversation

## 2. AMS Sustainability Maintenance Project Budget Amendment

MOVED by Jimmy, SECONDED by Katherine

“BE IT RESOLVED that \$7,000 is approved from the Sustainability Projects Fund for the AMS Sustainability Maintenance Project”

Sylvester

- Got in touch with SMITH Industries to fix the Runoff structure- the company was responsible for consulting the issue and seeing what needed to be fixed
- Initial estimates for cost were not accurate- turns it to be more than expected
- Since we did start the project already, we chose to continue as the figure is something that animates the Nest and revitalize the building, create new presence
- Fast forward to now when the project was reassessed and extent of repair determined, we need to have new bearings of gears (which controls spinning of the garden) and other supplies needed to fix the garden
- Expenses were exhausted from initial approved amount of \$6,000 and have gone over- currently paid out around \$7.8k but total project cost would sum up to around \$13.6k
- Here to request budget amendment of \$7,000 from SPF to the project to address outstanding costs
- Once cleaned, it will look as brand new and functioning

**3. Educate and Activate Budget Amendment**

MOVED by Katherine, SECONDED by Cole

“BE IT RESOLVED that \$3,000 is approved from the Impact Grant Fund for the VP Academic portfolio’s Educate and Activate anti-racism campaign”

**4. Approval of Minutes**

MOVED by Katherine, SECONDED by Lucia

“BE IT RESOLVED that the November 27<sup>th</sup> minutes are approved”

**Next Meeting**

The next scheduled meeting is TBD.

**Adjourn**

The meeting was adjourned at 5:05 PM.