



Finance Committee Minutes

Alma Mater Society of UBC Vancouver
Jun 22, 2021 at 4:00 PM PDT
@ <https://zoom.us/j/91667532872>

Attendance

Members Present:

Ben Morrison (SaL), Lucy Li (SaL), Mary Gan, Keith Hester, Max Holmes, Kamil Kanji

Members Present (Remote):

Rita Jin (Staff)

Members Absent:

Cole Evans, Kristian Oppenheim

Guests Present:

Grace Lee

I. Adoption of the Agenda

"BE IT RESOLVED that the agenda be adopted"

Moved by Ben, seconded by Lucy.

Meeting begun at 4:08 PM.

II. AMS Businesses Discussion

 [info for Finance COMMITTEE.xlsx](#)

 [AMS Businesses Life after Covid Mar 2021KH.pptx](#)

Max:

We should have more detailed minutes, right now the minutes are very summarized. If they were more detailed, we can better see the rationale behind the committee's decision to delay the budget

Mary:

I can ask Rita to take more detailed meeting minutes, Finance Committee moves very quickly to keep up. If everyone's comfortable with it, we can record Finance Committee so that we can take more detailed meeting minutes for the future since we have the recording.

Max:

As well, will Finance Committee be uploading the minutes for Council? Should have minutes uploaded to offer more context for budget delay.

Mary:

We had planned to upload for July Council.

Max:

Has been a problem in the past to upload Finance Committee minutes in batches

Mary:

Today we'll be covering the business operations of the AMS.

Keith worked on business budget breakdown, business contributions, and business overhead breakdown (documents provided).

Keith:

Any questions regarding those? Submitted on Friday with sales per square foot (last five years) on how the businesses are doing. This was agreed by advisory board 4 years ago and done every month. Back in March, a presentation was done for the executive committee and council to give a snapshot on businesses before covid, covid's impact, and the financial plan to get out of deficit. Also explained the difference between AMS debt vs deficit then.

Max:

When reading the presentation, what does it mean by current outlets open in September 2021 and the rest of the outlets in January 2022. What are the "current outlets" vs "remaining ones"?

Keith:

This document was made before we made the newest revision of the budget with the opening plan. The current ones open will remain open. In September, we will also open the test kitchen, GNE, pi-r-squared. In January, the pit.

Max:

Analysis to see PT charges per square foot on those outlets along University Boulevard vs. the cost we charge our tenants? The nest is more of prime real estate. How do we set those rates? Negotiation? Similar to the university?

Keith:

Review process is every 5 years. The costs sound similar based on previous discussion.

Max:

What about businesses that have direct competitors? What are we doing to address the outlets that originally didn't have competitors that do now. Are we projecting less revenue? Are we going to adjust the menu prices? Are we planning to be more competitive with lower prices?

Keith:

We closed pi-r-squared in March. It was really impacted by Uncle Fatih's. Planning to relaunch in October. Still planning to sell pizza as well as some Italian pasta (to change the menu up a bit). Will try to focus on the delivery model. Open more during the middle of the day and later in the evening to capture Domino's Pizza's (delivery) market as well.

With GNE, new manager in October. Will have a new menu there too. GNE has flexibility to introduce new types of asian cuisines.

Mary:

Are there new tenants in right now?

Keith:

Brought up at executive meeting last week, tenant pending UBC approval at the moment. Also negotiating to get a tenant to take over the --- location, should be completed over the next two months.

Mary:

Will that increase the amount of contributions to tenants have if we fill those spots?

Keith:

They are already in the budget as the positions will be filled. Might have a higher square foot rent than budgeted due to negotiation. Won't make a big difference in the budget though (~a couple thousands of dollars).

For Blue Chip, we are opening the Blue Chip Patio in the next month or so and we are expecting to get some extra sales/revenue from that.

Mary:

We seem to be projecting a large revenue from the pit for 2021-22 even though the non-covid year was ~74k. Are we projecting to have tons of people suddenly coming in after covid? What is the rationale behind it.

Keith:

The pit was losing money when it served food so we won't be having food in there anymore. Will focus on pit nights (used to only be open on Wednesday nights) that open on other days of the week. Plan on collaborating with other clubs to host more events.

Max:

Trying to get people to eat lunch in the pit wasn't that appealing because it was very dark and other options (e.g. gallery) would be more popular. Sounds great to emphasize more on the pit nights.

Question regarding the Gallery lounge/patio: projecting 56k? Is that being conservative?

Keith:

Trying to get people back into the building. The main attraction is the patio. Hence, we will focus on getting more in-person dining.

Max:

One issue with the food industry is the labour shortage around minimum wage jobs. Do we expect any challenges in hiring and reopening? Enough bartenders?

Keith:

Good thing about the society is that a lot of the hired team are from students living on residence who would rather work closer with a lower wage. Currently, no issues right now but could be a concern once the hiring stage (happening right now) is finished.

Max:

Are we renting out the lowercase space? Or are planning to do something with that?

For PHT, we aren't planning to reopen it so is honour roll opening into that space or is something else taking over it?

Keith:

PHT is currently a food prep area for honour roll.

Lowercase is rented out as a storage for the deli.

No plan to reopen that space.

Mary:

What are the pit's opening hours?

Keith:

Open till 1AM (before covid). For pit nights, it was usually 6PM till 1AM.

Mary:

The nest doors stay open during that time?

Keith:

No, the building closes at 11PM. The pit has an exit outside the building.

Mary:

People usually gets food after the pit closes. Possible to have food venues in the nest open during that time frame?

Keith:

The food cart was planned to do just that. But we couldn't get people to work that late outside the pit. Same issue with keeping nest outlet open. No one wants to work that late, no tips.

Mary:

Would've been a good idea since students would go somewhere for convenience after pit night but that makes sense.

Ben:

What if it occurs inside the nest?

Keith:

Building closes at 11PM so if we keep the building open, we would have to pay managers to stay till 1AM in the morning. The crowds in the building might not be safe as well.

Mary:

Projected revenue from the gallery seems a lot lower than previous years. We are actively trying to bring people back but in my opinion, the businesses seem to be doing quite well.

Keith:

Don't forget the 56k is for the whole year (which starts May). The revenue will pick up more and more but it will take time.

Max:

Past prices in the gallery and pit have been a topic of interest in council. How much difference in prices over the past years regarding the food prices? Is the smaller projection due to trying to keep competitive prices? How are we doing from a price standpoint compared to Browns?

Keith:

Lower than Browns. All alcohol are lower than Browns and the food are well below.

Max:

Noticed increase the business marketing this year. Have we thought about doing a campaign to advertise the gallery prices compared to other businesses on campus/near the area? Compelling reason to go to the gallery. Directly compete with Browns.

Keith:

Advertising rules around alcohol prices (can not compare). However, we could do it for food. Have employed a student on food marketing who will be doing that.

Mary:

AMS Events and the gallery managers can also work on that together. AMS Events seem to have been making videos related to the topic.

Keith:

They would work well together.

Mary:

Last year, AMS Events had a series on "best places for ..." for food items so they can help promote the gallery. Same with AMS social media coordinators.

Kamil:

What is the reason why we aren't opening up PhTea and lowercase to new tenants instead of the current old tenants? We might get a better revenue if we get newer tenants.

Keith:

We have a cap on the amount of lease space in the building so we couldn't take on any new areas.

Max:

Goals development for the managing director. Any goals set for business metrics/improvement for the next few years? Contributions per square foot is a really good metric. How much of your goals as managing director are tied to how well the businesses perform over the next few years?

Keith:

My financial goals have been tied to the overall AMS budget, not just the businesses. Incentivizes me to not just look at the business and disregard the rest. However, including some metrics may be a good idea.

Max:

Regarding the graph of the AMS area breakdown. Services with growing budget. Student government with shockingly growing budget because it does hire a lot new people so where is the money going. The larger the revenue businesses bring in, the more the rest of the groups can spend.

Mary:

Previously, the VP Finance goals does not highlight the business area in particular. Mainly the overall budget. Sounds like a good idea to outline some goals for the AMS businesses. Also need to work on Finance Committee goals and can incorporate the business aspect there too.

Any comments from the rest of the team? (N/A)

There were reductions in staff for the food outlets due to covid. Are we bringing the amount of staff back to previous years' levels or just reduced staff?

Keith:

Reduced right now because only operating three outlets. Intent to bring back to same levels if the same level of business is there. Staggered reopening and staggered rehiring.

Mary:

Are we opening up the nest more to booking? Conferences and catering start accepting a lot more businesses again?

Keith:

Most likely sometime next year. Largest value of sales (from commercial basis) for C&C is during the summer when the clubs aren't using the building. Reduced level during the academic year so won't see a recovery before summer 2022.

Mary:

Do clubs and constituencies host galas in the nest that use the C&C services?

Keith:

True, this leads to the limited commercial booking- if a club or constituency books they don't pay for the room rental but do pay for food/bev. During the summer months, we get room rental and food & beverages especially from weddings.

Mary:

For C&C, are we also having delivery? Not just in the nest?

Keith:

Yes, currently have drop off services around campus. Possibility of expanding catering services off campus because some competitors went out the business due to covid.

Stage catering is still activating.

Potential area: drop off market around campus residences.

Mary:

Scholar's catering isn't functioning anymore right?

Keith: Scholar's Catering is no longer functioning but Sage Catering is still running. Sage does everything in Cecil Green and higher profile dinner events that the university does. Potential uptake for us is the drop-off market to various faculty buildings that Scholar's used to do.

Mary:

Sage Catering appears to be really fancy. So for a typical event, people won't go to that extent of expense for catering?

Keith:

The faculties will. The constituencies will come to us.

Max:

Is Scholar's a temporary situation, plans on coming back or is it permanent?

Keith:

Permanent.

Max:

That opens up a large market, I used to be in a lot of university meetings and they usually were catered by Scholar's and not Sage, so that opens up opportunities for us. Why are we projecting a larger deficit this year than last year for conferences and catering lines?

Keith:

Last year we got wage subsidy for full 12 months, this year ending in August.

Max:

Have we ever considered having an enforced procurement policy for constituencies and clubs to benefit C&C? Mandate AMS Catering for events in the Nest? If clubs and constituencies spend money on food, ask them to spend it on businesses in the Nest?

Keith: No requirement that they must use our catering. We have clubs menu that is at a discount and they can order from it, but they can get food from somewhere else. Operations Committee didn't want to impose it on our clubs.

Max:

We can consider referring this to Operations Committee, it will help our bottom line. If it's a cultural club we can allow them to get outside catering but beyond that, using different types of catering off campus, we don't have certain rules around that. Would be an interesting thing to explore and consult for Operations Committee. C&C not doing well right now, hoping for recovery.

Lucy: Quick 2 things- I'm sitting on Operations Committee as well- regarding why clubs don't use food from UBC, it's too pricey. I've been VP Events for many CUS undergrad clubs, we can't ever get food from Gallery or anything. For example if we book in Ponderosa, we can't afford Ponderosa food. I can bring it up with Operations Committee but the food is just too expensive.

Keith: Have you considered having AMS Catering drop off food?

Lucy: Don't think Ponderosa allows food from outside Ponderosa catering.

Keith: Now since Scholar's not functioning anymore, they should allow it now.

Lucy: That was my experience from 2 years ago so may be different now.

Mary: For constituencies, it would be easy to afford AMS Catering- discount or no discount. Constituencies have large operating surpluses and collect student fees. However for small clubs who want to host an event in the Nest and want to have food,

they don't have massive budgets. They collect membership fees and may have limited members. Don't have tons of money to work with. May be difficult for small clubs to afford mandatory AMS catering, big clubs/constituencies should be OK.

Kamil: I agree, don't know if placing restriction is worth it. Not sure if it's FinCom's job to consider. Placing this restriction, how would it impact the clubs? Food is often the biggest cost.

Max: Conferences and catering hires lots of student staff, we refer the issue to Ops Comm. More clubs and constituencies that sign up, greater ability for us to have affordable prices. Greater volume = affordable prices if enough people signed up for it. They can consult and decide. Opportunity for AMS to improve bottom line in a year where there is a large deficit. Internal money in clubs and constituencies can go back to C&C whose earnings go towards paying student staff.

Grace: I can talk about it at the inter-faculty meeting this week- one thing to point out is I don't know how a requirement would fly by. I know we get lower rate cause we're a society, and lots of our services are changing places to use AMS catering since it's price-friendly. Don't know how requirement would fly, an encouragement would be better.

Kamil: I'd second the motion if we consider mandating it for constituencies but allow clubs to have some flexibility.

Mary: There could a loophole in multi-party events where constituencies and clubs are both involved in an event, if we instate that constituencies must do AMS catering, clubs may get outside food despite constituencies being leading group. Going around a potential rule. Pretty complicated, but I don't think we should mandate clubs to get AMS catering. Can also seem some loopholes if any rule is instated.

Max: There are some massive clubs out there, and benefit from fees/referendums. We don't need to assume things now, let Operations Committee look into it. We don't need to discuss too much right now. There could be incentives. Ops Comm could do a comparison of pricing of Dominos vs Pie R Squared. Clubs could think it's cheaper getting food outside, but maybe it's cheaper ordering within AMS catering/food outlets.

Kamil: There is a loophole like Mary said, they need to figure out how to close loopholes. I do second this motion.

Mary: BE IT RESOLVED that the Finance Committee refers the issue of catering policies for clubs and constituencies to the operations committee.

- Moved by Max, seconded by Kamil.

Mary: Any other business questions for Keith?

Mary: Thursday is Advisory Board, we'll go over budget there. On Friday shall we talk about non-budget topics? There's some clubs in deficit that we need to figure out ASAP. Does everyone want to do something a little different for Friday's meeting?

Otherwise, 29th we continue budget review, 30th we review over it in Exec Committee and review the budget as a whole, and we'll continue having meetings Tuesdays and Fridays til July 16th. Then hopefully then, the budget is prepared and we can approve for Council.

Max: Good for us to do our normal operations business on Friday. Can we share our issues with the budget to Advisory Board? Can we also get the minutes from the Advisory Board meeting on Thurs?

Mary: Should be available early next week. I attend Advisory Board so I can walk through everyone on the budget. I am basically the representative on behalf of Finance Committee.

Max: We're asking executives and dept heads to do rebudgeting right?

Mary: Yes, asking everyone. AMS Events already thorough so didn't ask Rish, but everyone else is reviewing.

Kamil: Who sits on Advisory Board?

Mary: A lot of people, not AMS-affiliated but are a collection of people who have held positions that are beneficial to advising the AMS Executives. Experienced in finance and technology.

Max: Think Ron and Louis are on Advisory Board, they were SSM and VP Finance respectively before. Ron was SSM for 2 years. Sam was VP Academic. Ron and Louis run a business together. People who know about the AMS but are outside of it now, they have a lot of advice for budget.

Mary: Will send out documents going over club deficits for Friday meeting. Will have more detailed minutes starting this meeting.

III. Approval of the Minutes

"BE IT RESOLVED that the minutes for the June 18th, 2021 meeting are approved"

 [Finance Committee Minutes June 18th, 2021.pdf](#)

Moved by Max, seconded by Lucy.

The meeting adjourned at 5:13 PM.

