



University of Alberta Students' Union

FINANCE COMMITTEE

February 16, 2021
6:00pm
Google Hangout

ATTENDANCE

NAME	PROXY	PRESENT
Alana Krahn		Y
Katie Kidd		Y
Lucas Marques		Y
Samar Barazesh		Y
Tyler Saretzky		Y
Kristofer Akkerman		Y
Emily Motoska		Y
Rahul Korde		Y
Mohamad Burhani		Y
Marc Dumouchel, GM		Y

MINUTES (FC 2020-19)

2020-19/1

INTRODUCTION

2020-19/1a

Call to Order

KRAHN: Called the meeting to order at 6:02pm.

2020-19/1b

Approval of Agenda

KRAHN/BARAZESH MOVED agenda.
CARRIED

2020-19/1c

Approval of Minutes

KRAHN/BARAZESH MOVED to approve the minutes of FC-2020-18-M.
CARRIED

2020-19/1d

Chair's Business

2020-19/2

QUESTION/DISCUSSION PERIOD

2020-19/3

COMMITTEE BUSINESS

2020-19/3a

Gateway Financial Control Deficiencies

KIDD: Suggested that the Gateway's financial control deficiencies are indicative of a larger systematic problem of deficient financial oversight.

MARQUES: Agreed with Kidd. Suggested that Council needs to consider what options exist for improved financial controls.

AKKERMAN: Noted that the Committee discussed the issue of improved financial controls at FC 2020-03/3a but felt that bylaw prohibited them from implementing stronger controls.

KRAHN: Proposed reforming bylaw to make financial oversight more effective. Agreed that Council should be engaged in improving DFU accountability. Suggested that discussions on improving oversight should focus on operations and not politics.

DUMOUCHEL: Proposed that the Committee discuss what standards and principles it values in financial oversight. Proposed that the Committee thereafter make a recommendation to create policies and procedures required to ensure the fair and effective administration of student fee revenue. Cautioned that students will not trust the SU with collecting fees if it cannot prove it manages them effectively. Recognised that there is student resistance to the increasing cost of education. Noted that SU interest groups perceive low-cost DFUs as a simple way to solve their problems and that the number of extant fees may grow over time. Proposed that Council consider creating additional eligibility criteria for the creation of DFUs. Emphasised that the SU should strive to reduce reliance on student fees.

KRAHN: Proposed that the Committee wait to approve the Gateway DFU until Council discusses the financial control deficiencies in an in-camera session.

AKKERMAN: Recognised that the Committee will only be able to see the results of the Gateway's new controls in the fullness of time.

KIDD: Agreed with Akkerman. Proposed that the Committee request, as a condition of funding approval, that the Gateway provide a future update to Council concerning the implementation and results of its new financial controls.

2020-19/3b

Theatre Renovation and Expansion Project Financing Approval

DUMOUCHEL: Noted that the SU is in process of securing funding for the Theatre Project. Noted that 85% of the project cost will be paid via government loan obtained through the University. Clarified that the remaining 2.5M will be obtained by other means. Outlined that the preferred plan is to obtain 1.2M from Sustainability & Capital Fund retained revenue obtain the remainder via fundraising and grants. Noted that, as a backup, money can be obtained via secondary financing by taking a 4% loan with the Student Endowment Fund. Clarified that the Sustainability and Capital Fund's fee is reviewed in election every five years but the Theatre Project financing must be paid off even if the fee is cancelled. Noted that the SU Atrium fee can be reallocated to pay for the Theatre Project in a few years. Noted that he is proposing the following motion to the Committee:

'DUMOUCHEL MOVES to recommend that Students' Council approve the financing strategy for the Horowitz Renovation and Expansion project and to authorize the Executive Committee to enter into such agreements as are required to execute such financing, subject to the following terms:
Primary financing from the University of \$15.165M over a term of 25 years at a rate not to exceed 3.5%;
Use of SCF retained reserves in an amount of \$1.2M;
Fundraising and grants will be pursued, with a goal amount of \$1.5M or such amount as is required to complete the project;
Where fundraising and grants amount to less than \$1.5M or are insufficient to complete the project, borrowing the remaining funds from the Student Involvement and Endowment Fund in an amount not to exceed \$1.5M and at a term not to exceed 25 years and an interest rate not to exceed 4%;
All financing obligations to be funded from revenues from the Sustainability and Capital Fund levy; and,
Any deviations from these terms must be approved by Students' Council by no less than a 75% majority vote.'

AKKERMAN: Inquired as to whether primary financing is not 100% secured.

DUMOUCHEL: Responded in the affirmative. Clarified that the Alberta Cabinet must approve the loan the SU seeks. Noted that University staff and the UASU VP External and President have addressed this issue with the Government. Recognised that the UASU cannot use SUB as a security in a loan given that it does not have title to the building. Considered that the UASU may be able to secure a loan via AIMCO if the Government denies the proposal. Noted that the Committee can approve his project motion at a later meeting.

AKKERMAN: Inquired as to the status of the SCF Fund reserves.

DUMOUCHEL: Responded that the Fund collected 1.5M in 2020-2021 with 1.2M being spent on the Theatre Project and the remainder being spent on the Green Fund or other costs.

KRAHN: Noted that the Committee will discuss approving the proposed motion and discuss the SU budget at an upcoming meeting.

DUMOUCHEL: Noted that the budget loss will likely be less than anticipated or even in a state of slight surplus.

2020-19/4

INFORMATION ITEMS

2020-19/5

ADJOURNMENT

KRAHN: Adjourned the meeting at 7:00pm.