

UNIVERSITY OF VICTORIA GRADUATE STUDENTS' SOCIETY

## Semi-Annual General Meeting

HALPERN CENTRE FOR GRADUATE STUDENTS

March 26<sup>th</sup>, 2019

### MEETING MINUTES

#### **PRESENT:**

**Chair:** Arash Isapour

**Director of Communications:** Kelly Clark

**Director of Finance:** Carla Osborne

**Director of Services:** Mahsa Mahtab

Mitchell Haslehurst, Math/Stats

Joseph Horan, Mathematics and Statistics

Saeed Rezvani, Civil Engineering

Susan Kim, Political Science

Jerold Flexer, PAAS

Christiaan Laureijs, SEOS

Kamran Tayyebi, Civil Engineering

Tanya Tran, Environmental Studies

Janice Niemann, English

Anabelle Bernard Fournier, PHSP

Maya Cowan, Anthropology

Armea Nikkhahn, Mechanical Engineering

Azita Sharif Ahmadian, Mechanical Engineering

Mehdi Hashemirahaghi, Political Science

Alyssa Allen, Greek and Roman Studies

Sima Hajiaghahi, Computer Science

Kevin Hsu, Math/Stats

Pei-Ling Wang, Geography

Elissa Whittington, Political Science

Tyler Fonenot, English – CSPT

Vahid Ostad Akbavi, Mechanical Engineering

Anahita Habibian, Mechanical Engineering

Sarah Krahn, Social Work

#### *Non-voting attendees:*

Guest: Miranda BerticevicNicols, Economics

Executive Director: Stacy Chappel

Operations and Services Manager: Mike Ronning

Office Coordinator, Governance, and Recorder:

Karen L. Potts

#### **REGRETS:**

Director of Student Affairs: Esmaeil Rahimi

Electoral Officer: Ryley Erickson

27 GSS Voting Members were in attendance. Quorum of 25 members was met.

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### CALL TO ORDER and LAND ACKNOWLEDGEMENT

The meeting was called to order at 5:07 pm with ISAPOUR in the Chair, making the acknowledgement that the University of Victoria Graduate Students' Society exists upon land that belongs to the Songhees, Esquimalt and WSÁNEĆ peoples, whose relationships with the land continue to this day.

ISAPOUR spoke about the importance of the GSS keeping land acknowledgement practices meaningful.

ISAPOUR invited HORAN to provide a personal reflection on land acknowledgement and naming practices. HORAN spoke about Ida Halpern, one of the two people the Graduate Students Society building is named for, and her commitment to Indigenous peoples.

## MEETING BUSINESS

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### APPROVAL OF THE AGENDA

*Motion: RESOLVED the Agenda of the March 26th, 2019 Semi-Annual General Meeting is approved as presented.*

*Moved: Executive Board, Seconded: HORAN*

*CARRIED*

### APPROVAL OF THE MINUTES

*Motion: RESOLVED the Minutes of the October 23<sup>rd</sup>, 2018 Annual General Meeting are approved as presented.*

*Moved: Executive Board, Seconded: COWAN*

*CARRIED*

### REPORT OF THE EXECUTIVE BOARD

CLARK presented the year in review from the 2018-19 Executive Board. Highlights are in APPENDIX A.

### REPORTS OF COMMITTEES OF THE SOCIETY

#### **a. Bylaw and Policy – Arash Isapour, GSS Chair**

ISAPOUR reported on the work of the Bylaw and Policy Committee. The GRC Election policy needed to be reviewed. A survey was conducted on how elections are held in different departments as well as how established graduate student societies within departments conduct their elections. Currently the Committee is reviewing the survey results. The next step will be to use the information gathered to draft a proposal to improve and standardize the departmental election process for GRC reps.

#### **b. Student Affairs – Esmail Rahimi, Director of Student Affairs**

ISAPOUR read the following written report submitted from RAHIMI (who sent regrets).

##### **1. Graduate Student survey:**

- In the 2017-18 year, the committee conducted a survey of graduate students' lives that had a high response rate and has provided rich information on the concerns and experiences of our members. The first phase of the report of the survey was completed and presented to members and UVic admin staff, hoping to make the best use of the information to improve the experience of graduate students at UVic.
- The second phase is ongoing as one of the main SAC projects.

2. International Student Tuition Fees

The SAC committee members along with Ad Hoc international tuition fee committee were involved in the GSS's ongoing work to end differential tuition for international students. The committees are working on this matter.

3. Advocacy office:

- The job description was prepared.
- Members voted "YES" to allocate money for this new position.
- Due to a "NO" vote from our UVSS fellow students, this project will be still an ongoing project for the committee.

**c. Communications – Kelly Clark, Director of Communications**

CLARK reported the highlights of the year's Communications Committee, including: the handbook, a revised social media strategy, created internal publishing guidelines, re-established a relationship with CFUV, worked on coherency in internal messaging, PhD & D event was held, and the creation of a "Welcome to the GSS Video" with a debut planned in August or September 2019.

**d. Finance – Carla Osborne, Director of Finance**

OSBORNE reported that there was an excellent committee team this year with returning and new members. The Committee worked on redesigning the budget for 2019-2020 and on improving long and short term financial planning.

**e. Food and Beverage – Carla Osborne, Director of Finance**

OSBORNE reported that the Committee had reviewed a catering policy update, had oversight over capital spending for a new point-of-sale system and new bar stools, provided support to the Fall 2018 understaffing situation, and had improved long and short term financial planning.

**f. Events – Mahsa Mahtab, Director of Services**

MAHTAB reported that there had been 41 events organized by the Committee for 2018-19 (12 in summer, 13 in fall, and 16 in winter), with more than 400 participants (not including world cup events). The World CUP viewing, Ice Cream & Lawn Games, Trivia Nights, and the Pub-Crawl were the most popular events. MAHTAB made special acknowledgement of the committee members who host the events, Mitch, Joseph, Tanya, Alyssa, Sydney, Jemma; Neil who provides staff administration support for events; and the Grad House staff. MAHTAB noted that the Committee's next idea is to test interest in low-key 'work together' quiet time events.

**g. Appeal Committee – Mahsa Mahtab, Director of Services**

MAHTAB reported that 26 submitted appeals were reviewed by the Committee. MAHTAB acknowledged the work of Joëlle, staff Health and Dental Coordinator, who provided the training for the Committee and managed the workflow.

**h. Stipend Review Committee – Joseph Horan, Committee Chair**

HORAN reported on the work of the Stipend Review Committee. He noted that the Committee was established four years ago to provide peer review of the work of the Executive Board members. This year the Committee worked to regularize the Executive reports submitted, as well as procedures for GRC member input and approval.

Discussion:

The floor was opened for questions regarding the Executive Board and Committee reports.

KIM provided an update on the protest underway against the Board of Governors proposed budget which again includes increases in international student tuition fees.

KIM asked why the money approved from the graduate students won't be used to hire a Student Advocate. CHAPPEL reported that without the UVSS partner funding there will only be approximately \$7000 per year, instead of the amount that was anticipated to pay for the full time equivalent of an ombudsperson. CHAPPEL reported that Grad Council will be reviewing and considering an alternative workable model for the funding available. As the referenda was approved based on the concept of hiring a full time advocate, an alternative model will be developed by the Student Affairs Committee, recommended through the GRC, and come back to the membership for final approval.

COWAN asked if the GSS could revise catering options for events. COWAN stated that the CSPT conference was quoted \$5000 minimum or \$170/head to have their catered event at the Grad House. CHAPPEL responded that the amount quoted would have been the amount for a full restaurant buyout so that the GSS does not run a loss if they close the restaurant for the period of time. CHAPPEL indicated discussions are currently underway as to how to use Side Project. CHAPPEL stated that even on days that the restaurant is normally closed is still very costly to open and staff the space. CHAPPEL also explained that during the Fall 2018 no catering was available. It was asked if it would still cost \$170 per head today given that the situation with the restaurant and staffing has normalized. CHAPPEL reported that yes, it might, depending on the day, and the nature of the request.

TAYYEBI asked the Stipend Review Committee about how concerns about any Executive members are handled. HORAN explained that a stipend is recognition that the Executive members are losing wages by not taking other jobs and taking on the GSS. HORAN emphasised that the Committee is not a performance review committee. If there are concerns that the general duties of an Executive member have not been fulfilled, the Committee would have an informal discussion with the Executive member to ensure all expectations were understood. HORAN stated that if an issue could not be resolved informally, it would be brought to the GRC.

#### EXTENDED HEALTH AND DENTAL INSURANCE PLAN – SEMI-ANNUAL UPDATE

CHAPPEL provided the regular update on the GSS Extended Health and Dental Insurance Plan. CHAPPEL outlined the challenges experienced in 2018. However the plan did better than budgeted in 2018 due to the reduction in the insurance plan members who enrolled was less than the overall drop in graduate student enrollment. The financial health of the plan was also aided due to the other strategies that have been put in place (contingency fund, retention accounting practices etc.). CHAPPEL also reported that a new broker had been contracted and steps are underway to renew the contract with the insurer. Her report in full can be found in APPENDIX B.

Discussion

TAYYEBI asked what premium increases could be expected. CHAPPEL could not provide details at this time as negotiations are underway with Pacific Blue Cross. She did state however that at this point it would appear that GSS needs to have a referenda to increase premiums to maintain our current level of coverage.

## PRESENTATION OF THE 2019-20 PROPOSED BUDGET

OSBORNE presented the proposed 2019-20 budget. The full narrative budget presented to the membership can be found in APPENDIX C.

OSBORNE presented the principles behind the 2019-20 proposed budget, and highlighted the following points:

- this is a conservative budget
- the restaurant is reaching its goals in terms of costs and sales are improving
- staffing is stabilized in terms of hiring
- this year has thrown staff and therefore the GSS many curveballs (e.g. injuries, family matters)
- improved completion times plus an enrolment drop has impacted the operating fund

OSBORNE reviewed the current membership fees and reported that the current CPI adjustment for inflation to membership fees is 3%.

OSBORNE also highlighted the major risk factors facing the GSS, including:

- that UVic expects flat grad enrolment this year
- that although the restaurant is doing better, the Side Project is improving but not as fast as we hoped; both are likely to need two more years to really hit their full stride
- the changes in BC minimum wage will increase staffing costs
- collective bargaining is still in progress
- the health and dental insurance contract is still in negotiation

OSBORNE then highlighted the strategies proposed to manage the risks, including:

- budgeting for -4% on the enrolment side in order to build some contingency room
- setting reasonable targets for both food outlets
- adjustments to the food outlet hours (i.e. 20:00 closure Mondays and Tuesdays, no Saturday hours during the summer)
- trimming the department grant and events budgets for the 2019-20 year (while protecting Wednesday Coffee)

OSBORNE then presented the GSS Income Statement to January 31, 2019, with the following noted as occurring after the budget document was prepared:

- About 500,000 of the Health and Dental Fund will be reallocated to next fiscal year.
- Since this statement, we have received additional membership fees:
  - \$106,000 to Operating
  - \$ 24,000 to Capital
  - \$83,000 to the Health and Dental Fund
- We anticipate a deficit in the Food and Beverage Fund of about -\$60,000.

OSBORNE then presented the following summary of the proposed budget:

	Operating	Health & Dental	Capital	Building	Food and Beverage	TOTAL
<b>Income</b>	350,857	1,030,788	74,984	0	5,025	<b>1,461,654</b>
<b>Gross profit</b>					338,775	<b>338,775</b>
<b>Total Revenues</b>	350,857	1,030,788	74,984	0	343,800	<b>1,800,429</b>
<b>Expenses</b>	350,513	1,029,628	10,500	0	343,462	<b>1,734,104</b>
<b>Contingency</b>	343	1,160	64,484	0	338	<b>66,326</b>
<b>Total Expenses</b>	350,857	1,030,788	74,984	0	343,800	<b>1,800,429</b>

OSBORNE noted how the 2019-20 Proposed Budget is responding to the risk issues presented earlier through:

- Projecting a further enrolment drop (-4%)
- Projecting food revenues based on actuals from 2018-2019
- Restaurant operating hours will be adjusted during the summer
- Reducing department grant, event and office supply budgets, as these are some of the only discretionary line items not tied to legal contracts etc., have been reduced.

OSBORNE also noted that the Capital Spending Plan includes:

- Loan repayment: 10,500
- Data projectors \$5,000
- Computer upgrade \$1,500
- Urgent equipment replacement (if needed): \$10,000

#### **Recommendations:**

To conclude the presentation, OSBORNE made the following recommendations to the members:

1. Approve budget as presented.
2. Agree that to have a budget review/update be presented at the October 2019 AGM. OSBORNE explained that this is not a usual agenda item for the Fall AGM, but when enrollment figures are known, there may be the potential to reinstate department grant funding.
3. Support a Fall 2019 fee referendum to increase the base membership fee with a portion allocated to a contingency fund. There has been no fee increase for the past 5 years, costs have increased more

than the CPI adjustment, there is declining enrollment/membership base, and services provided have increased. OSBORNE also explained that it is not fiscally responsible for an organization the size of GSS to operate without a budgeted contingency fund.

*Motion: RESOLVED the 2019-20 budget is approved as presented.*

*Moved: Executive Board, Seconded: SHANJANI*

#### Discussion on the Budget:

TRAN asked about Department Grant cuts. OSBORNE stated that the criteria and the amount that can be applied for will be the same, but the amount in the fund will be halved. In previous year, the Department Grant fund was budgeted for \$15,000, all of which was distributed to successful applicants. CHAPPEL suggested that the review of the grant applications will need to strictly enforce the eligibility criteria.

WHITTINGTON asked about the \$64,000 contingency fund and why it is so different from last year? CHAPPEL explained that all capital purchases are not included as expenses until the accountant gives the amortization figures. So surpluses are quickly eaten up as depreciation starts on the new equipment and furniture from renovations.

HORAN asked about the cuts to Department Grants, Events, and Office Supplies, and whether there is a commitment to return these amounts to historical levels of funding if revenue improves. HORAN expressed concern that if revenue levels return, there may be the temptation to leave these budget items at reduced levels. OSBORNE expressed her commitment that a review in October would be done specifically to return the budget to regular levels if possible.

*Motion CARRIED*

*1 abstention.*

#### ELECTIONS AND REFERENDA

##### **a. Electoral Officer Report – Ryley ERICKSON**

CHAPPEL provided the report for ERICKSON who was unable to attend.

The Executive Board election was held March 6-8<sup>th</sup>, 2019 with a nominee for every position. The results were:

- Mehdi HASHEMIRAHAGHI was elected Chair;
- Saeed REZVANI was elected Director of Student Affairs; and,
- Simi SHANJANI was elected Director of Events.

ERICKSON reported there were no formal appeals and these results are final.

##### **b. Ratification of acclaimed candidates**

*Motion: RESOLVED Carla Osborne is elected as Director of Finance for 2019-20.*

*Moved: Ryley Erickson, Electoral Officer Seconded: CLARK*

*CARRIED*

*Motion: RESOLVED Kelly Clark is elected as Director of Communications for 2019-20.*

*Moved: Ryley Erickson, Electoral Officer Seconded: REZVANI  
CARRIED*

**c. Report on the Referenda Results**

CHAPPEL provided a summary of the recent referenda results:

- Constituency Groups: fee increase from \$1.00 to 1.33/term - PASSED
- Food bank: fee increase \$0.75 to \$1.79/term - PASSED
- Ombudsperson: fee increase from \$0.50 to \$1.50/term - PASSED
- Anti-Violence Project: fee increase from \$1.00 to \$2.00/term - PASSED
- Student Advocate: new fee of \$1.00/term - PASSED
- Campus Club: fee increase (vote was 49% yes, 51% no) - FAILED

Discussion of the referenda results:

HORAN raised the issue that one of the reasons behind the clubs fee referenda came from the problem of graduate students not keeping up with paying their share of the expenses to administer clubs, and therefore graduate students were being denied access and services by UVSS who provide the administration.

CHAPPEL replied that she contends that the UVSS is wrong in how it is interpreting the rules for the administration of the clubs service. CHAPPEL stated that the GSS will have to have further conversations with UVSS as CHAPPEL does not believe this failure provides UVSS with the right to refuse graduate student access to the services.

COWAN expressed concern that the GSS members did not know the origin of the request for the increase and how it related to problems with Club access.

TAYYEBI asked about why graduate students clubs are administered by UVSS. CHAPPEL explained the legacy of UVic clubs, and stated that over the years, in general the administration by the UVSS has worked well. However, in recent years there has been a break down in the relationship regarding clubs. CHAPPEL stated that the incoming GSS Director of Services will have to take the lead on resolving this issue.

REZVANI asked about the implications of the Student Advocate position not being approved by UVSS members in their referendum. CHAPPEL reported that the UVSS will not be participating in the new model developed by the GSS.

**OTHER BUSINESS**

No other business.

**RAFFLE**

Grad House items were raffled off to members in attendance.

**SPECIAL THANK YOU**

A statement of appreciation was made on behalf of all Executive Board members to GSS staff and members.



ADJOURNMENT

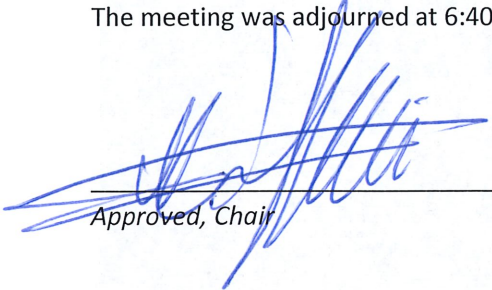
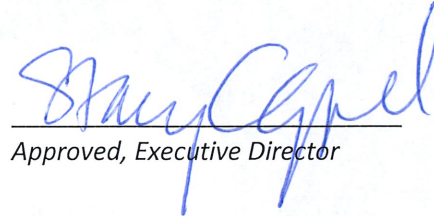
Motion: RESOLVED to adjourn the meeting.

Moved: Executive Board

Seconded: ALLEN

CARRIED

The meeting was adjourned at 6:40 pm.

  
\_\_\_\_\_  
Approved, Chair  
\_\_\_\_\_  
Approved, Executive Director

klp/JH/sc

## APPENDIX A: HIGHLIGHTS FROM THE 2018-19 EXECUTIVE BOARD

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# THIS YEAR IN THE GSS



- The Grad House reopened! Also, we now have Side Project!
- New Events! (Colouring/Company & Cocoa)
- Successful returning events, like Board Game Night and Trivia!
- Supporting Research Assistants' rights!
- Successfully negotiated our union contract! (We <3 our staff!)
- Grad students got \$12M in funding from the Provincial Government!
- Have you seen our student day planners? Rad. Rad is what they are!
- We joined GVAT! (Greater Victoria Acting Together)
- Hired a new Ombudsperson
- Bought a pet kangaroo (just seeing if you're paying attention)
- Did you know that grad students are finishing faster? We're great.
- We changed our Health Plan Broker (which is good)
- Evaluated our short and long term financial planning
- Created the Student Advocate position and got it passed by Grad Students! (Boo Undergrads)
- We had close to full graduate participation in university committees!
- Expanded restaurant hours!
- Made updates to our procedures manual!
- Fought against tuition hikes and differential international tuition!
- A lot more!
- And that's not even talking about what our committees did!

## **APPENDIX B: REPORT ON THE HEALTH AND DENTAL INSURANCE PLANS - CHAPPEL**

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### **2018 plan challenges**

#### **i. Referendum**

Following the renegotiation of the contract with Pacific Blue Cross, the GSS held a referendum in April with a proposal for an increase to the fees. The referendum did not meet quorum, which means the proposed fee increase didn't get approved and the coverage had to be reduced as a result. The executive board decided that the coverage reduction would take the form of an increased deductible from \$10 to \$50. This is a deductible assessed when the member or one of their dependent begins using the Extended Health plan each calendar year.

There was some confusion about how this was implemented: Those who had paid the \$10 deductible in the first part of 2018 then paid the remaining \$40 deductible after September 1 when the new contract came into effect.

Moving forward, we will make sure that we receive all the required information from our broker on the practical implementation of any given change and how it will affect students.

#### **ii. UVic introduces temporary mandatory health insurance**

In 2018, UVIC implemented a policy requiring all new international students to purchase Guard Me for their first term with their tuition. This was a change from past practice where students were required to purchase their own private coverage until BC MSP was in place. While the GSS is not the information source for the UVIC program, we worked and continue to work with UVIC to ensure students receive accurate information on how medical coverage works in BC how the two plans work together.

#### **iii. Implementing a more rigorous and fair opt-out process**

The new system requires that students who opt-out online upload proof of their equivalent alternative insurance plan. This resulted in significantly more work from the Health and Dental Coordinator, but this means all members face the same standard of proof and that we were able to retain members who were not eligible for an opt-out.

#### **iv. Implementing a new reconciliation system**

We are currently in the process of creating and implementing a new reconciliation system to ensure the adequate management of the plan.

### **New brokerage firm**

This year, the GSS issued a Request for Proposals for health insurance brokerage. We received six submissions from a variety of brokerage firms and three teams were interviewed. As a result of this process, the GSS has transferred our brokerage services to AON insurance. AON currently provides brokerage services to the GSS for our director's liability insurance and for our building insurance. There will be no change in our pricing model or the contract requirements (we are able to leave with 60 days' notice at any time). We are also maintaining our brokerage service model, which separates brokerage, member services, and insurance into separate components.

### **Plan financial health: retention accounting update**

- i. Plan enrolment steady, despite drop in overall GSS membership

While the general membership dropped 6.2% this year (comparing January 2018 and 2019 enrolment) the change in health and dental plan membership has been less dramatic, at -3.4%. In other words, the impact of the membership drop has been less severe on the Health and Dental Plan revenues.

Plan preformed better than budget in plan year ending Aug 2018

Currently there are about 1500 students enrolled in the plan. Of these about 100 have dependents enrolled.

Jan 2019	Student only:	H 1448	D 1447
	Family	H: 100	D 112

- ii. Health Plan Stabilization Fund maintains strong reserve

From 2013 to 2017 the GSS was able to create a Health Plan Stabilization fund using plan surpluses. We had anticipated that in the insurance contract year ending August 2018 we would need to dip into this fund to cover about 12,000 of plan costs. However, we had strong plan enrolment during this year, and ended the year by nearly breaking even, thus our plan reserve remains intact.

- iii. Retention accounting has nearly achieved required Claims Fluctuation Reserve

In addition to our own reserve fund, we also use an insurance model known as Retention Accounting, which builds a reserve at the insurer. The insurer has a base reserve known as the Claims Fluctuation Reserve that must be established, after which any surplus belongs to the GSS. As of our most recent statements, the GSS is within 5,000 of reaching the required Claims Fluctuation Reserve. This can mean reduced administrative costs to the GSS, as well as the ability to generate income from the plan to stabilize prices.

### **Contract renewal in progress**

We are currently engaged in the process of renewing the contract between the GSS and our insurer. We anticipate being able to present options on renewal pricing and coverage in April, with the intention of submitting any fee change proposition for referendum in May, if required. One goals in the negotiation process will certainly be to return to a \$10 deductible and maintaining coverage levels.

### **Next steps**

In the coming year, the GSS will first complete the renewal and take any changes to a referendum in May.

After that is completed you can expect to see promotion of Fair Pharmacare registration to our membership. Fair Pharmacare registration is open to all members on BC MSP, including international students. It can be complicated to register if new to BC, but the benefits to both students and our plan costs are real.

We are also working with our broker to improve services to our members from Blue Cross's 1-800 number. For example, we do hear from students who are errantly referred to the undergraduate member service line, or have problems with claim submission. We would like to see those issues resolved for our members.

APPENDIX C: NARRATIVE BUDGET AS PRESENTED TO THE MEMBERSHIP

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**University of Victoria Graduate Students' Society**  
**Budget 2019-2020**

Written by Director of Finance: Carla Osborne and

Executive Director: Stacy Chappel

with support from the GSS Finance Committee

*Submitted to the Semi-Annual General Meeting by the Executive Board*  
March 26, 2019

## **Introduction**

The University of Victoria Graduate Students' Society (GSS) is a non-profit society representing graduate students at the University of Victoria. The GSS finances are governed by the GSS Bylaws, financial policy, and provincial regulation. The GSS is an audited society, as required by the *University Act*.

The budget reflects the purposes of the GSS, which are stated in the GSS Constitution as follows:

*The purposes of the Society are:*

- a. to represent the interests of the membership in a democratic manner in matters pertaining to education and the welfare of graduate students;*
- b. to promote the principle and practice of graduate student representation at all levels of decision making at the University of Victoria and on all agencies or other bodies which deliberate on the affairs of graduate students;*
- c. to promote cultural, intellectual and recreational activities among the members; and*
- d. to promote the academic and social welfare of its members through the provision of services.*

Whether hosting social events, funding graduate student initiatives with department grants, providing extended health and dental insurance, or investing for future renovations, each of the expenditures in the budget serves these purposes. Further, in keeping with our principles of democratic governance, the budget is developed by the Executive Director, Director of Finance, Operations and Services Manager and Finance Committee. It is reviewed by the Graduate Representative Council and Executive Board, and finally submitted to the Semi-Annual General Meeting for approval.

## Table of Contents

<u>University of Victoria Graduate Students' Society</u> .....	13
<u>Introduction</u> .....	14
<u>Table of Contents</u> .....	15
<u>Budget policy</u> .....	16
<u>Revenue Sources</u> .....	16
<u>Membership fees revenue</u> .....	16
<u>Food and Beverage sales revenue</u> .....	17
<u>Health and Dental revenue</u> .....	17
<u>Interest revenue</u> .....	18
<u>Expenses</u> .....	18
<u>Expense projections</u> .....	18
<u>Building Maintenance, Repairs and Janitorial</u> .....	18
<u>Restaurant cost of sales</u> .....	18
<u>Wages and Benefits</u> .....	19
<u>Student Advocate fee</u> .....	19
<u>Externally managed programs</u> .....	19
<u>Allocating indirect costs</u> .....	19
<u>Allocating costs among office funds</u> .....	19
<u>Management salaries allocation</u> .....	20
<u>Financial risks</u> .....	20
<u>Savings and long term planning</u> .....	21
<u>Capital and Building Reserves</u> .....	21
<u>Health Plan Stabilization and Retention Fund</u> .....	21
<u>Operating Fund referendum</u> .....	21
<u>Fund Balances at January 31, 2019</u> .....	22
<u>2019-2020 Draft Budget</u> .....	23
<u>Capital Spending Plan</u> .....	24
<u>Projected Capital Expenses</u> .....	24
<u>Conclusion and Recommendations</u> .....	25

## **Budget policy**

GSS budget policy provides guidance in developing the budget. This includes describing the responsibility for budget areas, the process for approval of the budget, and standards for building accurate estimates and representing expenses. The policy also outlines the different funds – Operating, Food and Beverage, Health and Dental, Capital and Building, and their terms of reference.

Estimates are based on past experience using actuals from financial statements and audits. For unrestricted funds, budgets are developed on a break-even basis; as a non-profit society the GSS is not meant to develop operating surpluses, and surpluses are maintained only for cash flow, or for development of the Building Fund.

Restricted purpose funds are used where a designated purpose fee is established by a referendum. For example, revenue from the Capital Fund Fee can only be used on capital expenses and revenue from student extended health and dental plan fees are restricted for use paying for the insurance plan and its administration.

The policy manual also provides guidance on budget priorities, ranking priorities as follows:

1. Existing funding and new ongoing revenue shall be budgeted in the following priority;
2. Existing and ongoing contractual and bylaw obligations (employee, building maintenance, etc.);
3. Other priorities as determined (e.g. service supplement, new services, new employee positions, etc.); and
4. In expectation of contract negotiations (e.g. employee, facilities) during the fiscal year, additional funds shall be set aside in contingency to cover any anticipated increases in costs.

## **Revenue Sources**

The primary revenue sources for the GSS are membership fees, Health and Dental Plan premiums, and restaurant sales.

### **Membership fees revenue**

Membership fees are set by referendum, and paid each term by every graduate student. Thus the revenue for the budget is determined by both the fee and the enrolment. The Operating Fee and the Capital Fee are reflected as member fee revenue in the budget, in the Operating and Capital Funds, respectively. All other fees are remitted directly to the relevant administrator of the project supported by the fee.

According to GSS policy, membership fees in the budget for the Operating and Capital Funds are increased by the BC Consumer Price Index (CPI) rate for 2018, which is 3.0% (Government of Canada, 2019), subject to approval of the budget. The budget reflects this CPI increase. The budget uses the 2018 audited fee revenue and January 2019 year-to-date actuals as the baseline for estimating fees for the 2019-2020 budget. The budget assumes a decrease (-4%) in enrolment based on the experience of the past three years and consultation with UVIC administration.



## GSS 2019-2020 membership fees by registration status

	<i>Regular</i>	<i>Co-op</i>	<i>Distance</i>
Operating Fee*	\$43.80	\$21.90	\$43.80
Capital Fee <sup>1</sup> *	\$9.94	\$4.97	\$9.94
Childcare fee	\$1.02	\$0.51	\$1.02
VIPIRG	\$2.00	\$1.00	\$2.00
Anti-Violence Project	\$2.00	\$1.00	\$2.00
Ombudsperson	\$1.50	\$0.75	\$1.50
Constituency Groups	\$1.33	\$0.67	\$1.33
Clubs	\$0.50	\$0.25	\$0.50
WUSC (Student Refugee Program)	\$3.00	\$1.50	\$3.00
Campus food bank*	\$1.79		
CFUV*	\$0.54		
University 101*	\$0.54		
Conference Travel fee*	\$4.55	\$2.28	\$4.55
Distance travel fee*	\$1.07	\$0.54	\$1.07
Student Advocate	\$1.00	\$0.50	\$1.00
<b>TOTAL FEE</b>	<b>\$74.58</b>	<b>\$35.86</b>	<b>\$71.71</b>

## Food and Beverage sales revenue

Because the Grad House was closed for the renovations from May 2017 – January 2018, and the operations have changed significantly, budgeting for 2018-2019 Food and Beverage revenues was based on prior years experience and comparison to neighbourhood coffee shops. In 2018-19, Grad House operating hours and menu have changed. Additionally, a new outlet, Side Project Coffee, was launched, providing a new source of revenue and changes to staffing structure. Catering services were put on hold during this period with only minimal catering bookings permitted.

The 2019-2020 revenue projections are based on actual sales revenue from the 2018-19 year. The revenue projection also includes a slight increase representing the addition of additional catering revenue.

## Health and Dental revenue

At the time of budget development, the GSS is in active contract negotiation for the student health and dental insurance plan renewal. Fee increases are subject to a referendum of members, and the bulk of the plan fees are remitted to the insurer.

The GSS anticipates there will be a fee referendum in May 2018 to ensure premiums are covered by fees, and the plan remains financially stable.

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<sup>1</sup> \* These fees are increased by the BC Consumer Price Index annually

## Interest revenue

In 2017, the GSS cashed in several term deposits held in the Capital and Building Funds as part of the renovation financing plan, which in turn reduces interest revenue for the society. The 2019-2020 budget projects interest revenue based on current year actuals.

## Expenses

The primary expenses for the GSS are the Health Plan Premiums, staffing, and cost of goods for the restaurant.

In keeping with the GSS's constitutional purposes, the GSS offers a wide variety of services, events, and programming for our members. These are reflected in the expenses of the budget as well as staff time. These include:

- Grants to support departmental events
- Social activities, such as Wednesday Coffee, board game and trivia nights, and outings to places around Victoria
- The Grad House restaurant and Side Project Coffee
- Referrals to campus and community services
- Support to help individual students resolve problems
- Meeting rooms for graduate student meetings, study groups and colloquia
- Health and Dental insurance plan
- The grad student handbook

## Expense projections

In general, expenses are projected based on the actuals of the year before, along with audited information from previous years.

Expenses for these services are projected based on current year actuals and past experience. Below are summaries of adjustments made to specific budget items

### Building Maintenance, Repairs and Janitorial

UVIC provides utility billing rate changes annually, and these are generally charged by square footage (hydro) or metering (gas). These increases are reflected in the budget as follows

<i>Utility</i>	<i>2019 rate increase</i>
<i>Natural gas</i>	<i>3.6 %</i>
<i>Electricity</i>	<i>1.0%</i>
<i>Sewer/water</i>	<i>6.6%</i>

In addition to these changes, the GSS has budgeted a 1.5% increase for maintenance, repairs and security services. Based on these rate increases and actual costs for 2018-2019, the budget includes \$45,422.60 for utilities, maintenance and repairs.

### Restaurant cost of sales

The amount of food or alcohol purchased for use in the restaurant is based on fluctuating sales throughout the year. To budget for this item, we use a "cost of sale" percentage. This percentage is determined by cost of the products purchased, portion size, menu pricing, and loss or waste. The budget projects this based on actual cost of sale average in Fall 2018.

## Wages and Benefits

GSS office and restaurant staff are unionized and the latest collective agreement with them expires March 31, 2019. By mutual agreement, another round of collective bargaining is scheduled for March and April 2019 with a view to making a longer term agreement. The budget includes a contingency to address changes in wages during bargaining.

Similar to projections for cost of sale (see above), labour costs in the Grad House and Side Project fluctuate over busy and slow periods. Thus the budget uses a cost of labour average to project restaurant wages based on projected sales.

## Student Advocate fee

A March 2019 fee referendum established a new fee for a Student Advocate. The UVSS ran a simultaneous fee referendum, which failed. As a result, this fee is reflected in a separate line for revenue and expense within the Operating Fund budget. The GSS will consult with members about proposals for modified delivery of this service considering the UVSS referendum result.

## Externally managed programs

GSS members contribute directly to campus programs that support graduate students or include graduate students in their membership. These are included in the membership fee but are not reflected in the budget as the fees are collected and remitted directly to the program administrator. These include:

- Travel Grant funding to assist graduate students attending conferences
- Distance student travel grants to assist students attending their on-campus cohort course
- Clubs and constituency groups housed in the Student Union Building
- CFUV radio
- UVic Childcare
- Anti-Violence Project
- Campus food bank
- Vancouver Island Public Interest Research Group (VIPIRG)

## Allocating indirect costs

The GSS has general operating costs, such as office administration and management staff that need to be shared among the programs of the society. Such operating expenses are considered “indirect costs” to program budgets; they are paid by the Operating Fund, and then expensed across the other programs. The methods for determining indirect costs for each program are described below.

## Allocating costs among office funds

Shared costs between the Operating Fund and the Health and Dental Fund are based on staffing levels. Overhead costs include building maintenance, office administration, management and office salaries that are not attributed to direct program costs, and professional fees.

The administrative fee rate is calculated using a standard formula for indirect costs as follows:

$$\frac{\text{Direct program staffing}}{\text{Total office staffing}} = \text{Administration rate (\%)}$$

The projected administration rate for the 2019-2020 budget is 14%

Several programs are housed within the Operating Fund: Governance (the cost of running organizational meetings), Services (room bookings and car co-op memberships), Communications (handbook, advertising, and a contribution to CFUV), and Events (social activities hosted by the GSS). These programs and the Health and Dental Plan make up the Society's office-run programs.

For shared maintenance and utilities, the administration rate is based on 50% of the full cost of utilities and maintenance. These charges are based on square footage, and the fee distribution reflects the fact that GSS office and meeting space take up 50% of the building square footage, while the other 50% is taken up by the Grad House and Side Project. The portion of the utilities and maintenance related to the Food and Beverage operations are covered by the Operating Fund.

Total overhead costs shared by office programs:

<i>Overhead Expense</i>	<b>Health and Dental Fund administrative cost</b>
<i>Equipment &amp; Software</i>	0
<i>Insurance</i>	\$ 1,300
<i>Office &amp; administration</i>	\$ 1,200
<i>Professional fees</i>	\$ 4,200
<i>Utilities, repairs and Maintenance</i>	\$ 6,359
<i>Wages and Benefits</i>	\$22,000
<b>TOTAL OVERHEAD EXPENSE</b>	<b>\$35,059</b>

## Management salaries allocation

Management salaries are reflected primarily in the Operating Fund

The Executive Director's salary is partially expensed to the Health and Dental Fund according to the administration rate.

The Operations and Services Manager's time is divided between the food services (60%) and other services programming (40%). As such, only 40% of their salary is included in "ore staffing" for purposes of allocating the administrative rate to the Health and Dental Plan Fund.

## Financial risks

In the coming year, the key financial risk areas for the GSS are:

- **Restaurant revenues:** revenues in 2018-19 were under budget due to administrative and labour expenses related to relaunching the operation.
- **Cash flow:** Cash on hand is reduced due to the renovation expense in 2018. This limits the ability of the GSS to take risks with new programs or operational changes.
- **Enrolment:** The GSS budgeted a conservative -1% enrolment for the 2018-19 year, but actual enrolment dropped further (-7%).
- **Collective bargaining** with the unionized staff of the GSS is underway and anticipated to be finalized in April 2019. Changes in BC minimum wage will have an influence on wages.
- **Health and dental plan renewal:** health plan premiums will be determined in negotiations in April 2019.

The 2019-2020 budget addresses these risks in the following ways:

- The budget projects enrolment dropping (-4%) based on the past three years and in order to build contingency and ensure conservative budget for spending.
- Projected food revenues are reduced and based on actuals from 2018-2019
- Restaurant operating hours will be adjusted during the summer
- Department grant and events budgets have been trimmed for the 2019-2020 year (protecting Wednesday Coffee, as this is a highly valued service for our members)
- Office supply budget has been reduced

If enrolment and restaurant revenues in summer are higher than budgeted, a budget update can be presented at the October 2019 AGM.

## **Savings and long term planning**

The GSS maintains funds for long term goals, such as building expansion, and stabilization of the extended health and dental insurance plan.

## **Capital and Building Reserves**

From 2009 to 2017, the GSS allocated \$30,000 from the Capital Fund to the Building Fund annually, in preparation for future renovations. With the completion of major restaurant renovation in 2017, the GSS is now in a stage of loan repayment and preparing for future renovations in the next decade. The Capital Spending Plan (page 24) outlines specific loan repayment and capital spending projections for the 2019-2020 year.

## **Health Plan Stabilization and Retention Fund**

In 2013, the GSS established the Health and Dental Stabilization Fund. Surpluses from the Health and Dental Fund are transferred to this fund and used to mitigate increases to Health and Dental Plan fees.

The GSS also contracts for insurance using the Retention Accounting method, which allows the GSS to share the profit and risk of our plan with the insurer, Pacific Blue Cross. The GSS anticipates that it will meet its minimum Claims Fluctuation Reserve in 2019, allowing a reduction in plan administration costs from the insurer.

## **Operating Fund referendum**

The Executive Board notes that the base GSS fees have not changed for at least five years, and costs have changed in ways that can no longer be accounted for by the CPI adjustment if members wish to maintain services. To that end, the Executive Board recommends the Graduate Representative Council initiate a fee referendum to raise the Operating Fund portion of the GSS fee and that the fee request includes an increase sufficient to build a contingency fund.

## Fund Balances at January 31, 2019

	Operating	Food & Beverage	Health	Capital	Building	TOTAL ALL FUNDS
<b>ASSETS</b>						
Cash on hand	\$ 44,425	\$ 20,238	\$ 531,807	\$ 166,521	\$ 7,522	\$ 770,513
Accounts receivable	\$ 2,480	\$ 26,406				\$ 28,886
Interfund receivables	\$ 1,260,522		\$ 87,755	\$ 778,140		\$ 2,126,417
Prepaid Expenses	\$ 4,598	\$ 3,197	\$ 405			\$ 8,201
Inventory		\$ 23,747				\$ 23,747
Total cash assets	\$ 1,312,025	\$ 73,588	\$ 619,968	\$ 944,661	\$ 7,522	\$ 2,957,763
Capital/ Fixed Assets		\$ -		\$ 1,054,260		\$ 1,054,260
Total capital assets		\$ -		\$ 1,054,260		\$ 1,054,260
<b>TOTAL ASSETS</b>	<b>\$ 1,312,025</b>	<b>\$ 73,588</b>	<b>\$ 619,968</b>	<b>\$ 1,998,921</b>	<b>\$ 7,522</b>	<b>\$ 4,012,023</b>
<b>LIABILITIES</b>						
Interfund Liabilities	\$ 865,895	\$ 403,338		\$ 857,184		\$ 2,126,417
Other liabilities & payables	\$ 83,065	\$ 46,511	-\$ 352	\$ 226,651	\$ -	\$ 355,875
Total Liabilities	\$ 948,960	\$ 449,848	-\$ 352	\$ 1,083,835	\$ -	\$ 2,482,291
<b>EQUITY</b>						
Current Earnings	-\$ 113,294	-\$ 56,131	\$ 533,650	\$ 42,904	\$ 3	\$ 407,133
Fund Balance ( Retained Earnings)	\$ 472,117		\$ 86,669	\$ 872,182	\$ 7,519	\$ 1,438,487
Fund Balance ( Employee Leave Fund)	\$ 4,242					\$ 4,242
Accumulated Surplus/Deficit		-\$ 320,130				-\$ 320,130
Total Equity	\$ 363,065	-\$ 376,260	\$ 620,320	\$ 915,086	\$ 7,522	\$ 1,529,732

## 2019-2020 Draft Budget

as per March 17, 2019 after EXEC meeting						
	Operating Fund	Health & Dental	Capital Fund	Building Fund	Food & Beverage Fund	TOTAL
REVENUE	Budget	Fund Budget	Budget	Budget	Budget	Budget
Membership fees	\$338,583.91	\$0.00	\$74,488.46	\$0.00	\$0.00	\$413,072.37
Student advocate fee	\$7,500.00					\$7,500.00
Handbook revenues	\$4,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,000.00
health and dental plan premiums	\$0.00	\$1,030,515.00	\$0.00	\$0.00	\$0.00	\$1,030,515.00
Room rentals	\$420.00	\$0.00	\$0.00	\$0.00	\$3,000.00	\$3,420.00
Other	\$100.00	\$0.00	\$0.00	\$0.00	\$2,000.00	\$2,100.00
Interest	\$253.00	\$273.00	\$496.00	\$0.00	\$25.00	\$1,047.00
<b>Total Revenue</b>	<b>\$350,856.91</b>	<b>\$1,030,788.00</b>	<b>\$74,984.46</b>	<b>\$0.00</b>	<b>\$5,025.00</b>	<b>\$1,461,654.37</b>
<b>RESTAURANT REVENUE</b>						
Restaurant revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$533,504.00	\$533,504.00
Cost of goods sold	\$0.00	\$0.00	\$0.00	\$0.00	\$194,728.96	\$194,728.96
<b>GROSS PROFIT</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$338,775.04</b>	<b>\$338,775.04</b>
<b>EXPENSES</b>						
Advertising and memberships	\$3,000.00	\$0.00	\$0.00	\$0.00	\$5,500.00	\$8,500.00
Loan repayment			\$10,500.00			\$10,500.00
Equipment & software	\$500.00	\$0.00	\$0.00	\$0.00	\$1,900.00	\$2,400.00
Department Grants	\$8,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,500.00
Handbook expenses	\$4,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,000.00
Health & dental premiums	\$0.00	\$962,000.00	\$0.00	\$0.00	\$0.00	\$962,000.00
Insurance	\$8,150.00	\$1,300.00	\$0.00	\$0.00	\$0.00	\$9,450.00
Meetings & music	\$10,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,000.00
Office & administration	\$7,500.00	\$1,200.00	\$0.00	\$0.00	\$25,000.00	\$33,700.00
Professional fees	\$25,800.00	\$4,200.00	\$0.00	\$0.00	\$12,000.00	\$42,000.00
Student Advocate Fund	\$7,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,500.00
Utilities, repairs & maintenance	\$39,063.43	\$6,359.16	\$0.00	\$0.00	\$300.00	\$45,722.60
Wages & benefits	\$229,000.00	\$54,569.00	\$0.00	\$0.00	\$298,762.24	\$582,331.24
Student advocate	\$7,500.00					\$7,500.00
Other expenses	\$0.00					\$0.00
Kovalchuk Legacy Contingency Fund	\$343.47	\$1,159.84	\$64,484.46	\$0.00	\$337.80	\$66,325.57
<b>Total Expense</b>	<b>\$350,856.90</b>	<b>\$1,030,788.00</b>	<b>\$74,984.46</b>	<b>\$0.00</b>	<b>\$343,800.04</b>	<b>\$1,800,429.41</b>
<b>Balance</b>	<b>\$0.00</b>	<b>-\$0.00</b>	<b>-\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>-\$0.00</b>

## Capital Spending Plan

The Capital Fund has an income from membership fee revenues. For the 2019-2020 budget, the projected income is: \$74,488.46

The Capital Fund expenses for the budget year include the amortized depreciation for capital assets in that year, and interest paid on loans for the renovation.

Capital purchases and loan payments made on the principle of the loan are not considered budget expenses. Instead, capital purchases are considered a balance sheet transfer from the cash in the bank account to the capital asset value

Assets depreciation is recorded in the GSS's audit, and depreciation is set by the auditors using standard account formula. For the GSS depreciation is as follows:

Item	Depreciation
Furniture and equipment	5 years
Restaurant equipment	5 years
Computers	3 years
Leasehold improvements	10 years
Major renovations	20 years

## Projected Capital Expenses

As part of the renovation planning for 2017, the GSS is deferring any non-urgent equipment and furniture replacement in order to enable the GSS to repay loaned funds expediently. As such the capital spending plan includes only loan repayment and a plan for urgent replacements

There are no plans for furniture replacement or upgrade.

The GSS data projector has reached end of life and needs to be replaced. A data projector for the restaurant is also in order and will reduce rental costs. \$5,000 is set aside for data projectors and \$1,500 is set aside for computer purchase. \$10,000 is set aside for urgent equipment replacement in case of break down.

### ***Loan repayment***

- Repayment: 10,500

### ***Equipment***

- Data projectors: \$5,000
- Computer upgrades: \$1,500
- Emergency equipment repair: \$10,000

TOTAL: \$27,000



## **Conclusion and Recommendations**

The GSS is in a strong financial position and is financially stable. As a society, the GSS is able to meet its mandate to organize and support cultural, intellectual and recreational activities for graduate students; provide services; and represent graduate students on campus.

The Executive Board recommends approving this budget.

The Executive Board recommends revisiting the budget at the October 2019 AGM.

The Executive Board recommends Grad Council initiate a fall 2019 fee referendum to increase the Operating Fund base budget and build an ongoing contingency.

