

USC
Budget
2015/2016

February 10th

2015

This document contains the story of the 2015/2016 budget for the University Students' Council of Western University as presented to the USC Board of Directors.

A Budget
Narrative

Budget Overview

The process for the budget for fiscal 2015/2016 began in September 2014. There were a series of retreats and discussions that not only helped shape the themes and direction of the budget but refined them to what is being presented today. The themes for this year's budget were not easy to determine. The ultimate vision had been set but whether or not that vision would be achievable was yet to be determined.

The USC had directives to fulfill from both the USC President and Council for the 2015-2016 budget. First, the USC needed to continue working toward a service based budget. Specifically this meant that we needed a method to determine which student fees paid for which services so that we could ultimately determine how much total subsidy each service was being given. This directive will be one that will take time for the USC to fully achieve. For a full service based budget to be presented, the USC will not only need to determine the full extent of subsidies being given to each unit but also needs to seek to understand the value of the services being provided by the units as well as how that value "fits" into the overall strategic plan. For the budget presented within this document, the USC has been able to "sort the fees out" in that we can name what each fee, paid by the students, goes to pay for. During fiscal 2015/2016 we will seek to understand the value of the services provided by our units (both intrinsic and tangible). Once we have an understanding of the value of services, the USC can assess and test how those service pieces "fit" within our strategic plan. Inevitably the USC will find some services that should no longer be provided which at the same time having new service needs emerge that the USC should be looking at providing. This is known as the circle of life or life cycle for the USC.

The second directive that the budget strategic team needed to consider within the 2015-2016 budget was the need for increased student opportunity within the USC. Specifically, the USC needed to ensure that there were both paid and unpaid student opportunities available within the budget for the upcoming year. The directive called for improved learning outcomes for student opportunities as well as a wider array of experiential opportunities within the USC. The budget team was able to deliver on this directive as well. We have expanded the purview of Human Resources and Volunteer Resources to include all coordinators, commissioners, AVP;s, interns, etc. Now all of these groups have expected outcomes for their positions, job descriptions for the positions and terms of reference and they also have support to go to for issues that may be occurring or just advice. The USC has created a volunteer recognition program as well to show our volunteers (paid and non-paid) how much they mean to the USC. The USC is building upon these programs in the upcoming budget as well by incorporating more interns, adjusting the AVP contingent so that they have meaningful experiential opportunities.

The third directive was that the USC needs to build a more robust three year budget as part of the budget package for 2015/2016. This was an expected directive as a three budget not only gives a long term vision for short term decision makers but also provides a stronger platform upon which the organization can make decisions. This budget package presents the 2015-2016 budget with a projection set of budgets that goes out for an additional three years. As a result, this budget package presents a four year budget for the Board of Directors, the Long Term Planning and Budget Committee and Council to review and consider for approval.

The final directive given to the budget team was no increase to the base fee for the duration of the budgets being presented. This one is a directive that we are used to getting - no student likes to see the cost of getting their education increase unless the increase is directly tied to the provision of a new service. While this directive is not new, it is important to note that the USC does have limited forms of revenue generation:

- 1) Internally generated revenues through commercialization and operational surpluses. Both of these types of revenues get directly invested back into the USC to provide for programming and the running of services. Student feedback has been mixed in this area.
- 2) Increases to student fees – directive says no increases above inflation to most fees and zero increase to base fee.
- 3) Tenant revenues – these are the tenants that are in the lower level mall area. Currently all spaces have been leased out and all are on 5+ year leases. As a result, we are unable to adjust their rent up or down until their lease is up for renewal. This area is currently maxed out.
- 4) User pay – models which has the users of the service, program etc pay for it rather than everyone paying for it regardless of if they use it.
- 5) Fee for services provided. Examples include services provided to affiliates, services provided to faculty council club systems or professional school club systems.

It has been with a lot of hard work and determination that the USC has been able to present a budget that meets all of the directives posed by the governing bodies Not only are we presenting a four year budget (one year more than requested) for review and consideration but we are presenting a budget that is balanced for the upcoming year. This budget continues from the 2014-2015 budget with user pay models that ensure that it is the users of the services who pay the majority of the cost of the services. The model of user pay is used in areas that are resource intensive services. The model works to sustain the service into the future. This type of model also prevents all students at Western from paying for the services regardless of whether or not they use the resources. In some cases we can't prevent the latter from occurring but the idea of user pay

gets the services closer to the ideal. This is an area that will continue to expand as the USC continues to move the budget toward a service based model.

Another reason that the continuation of a user pay model is necessary is due to the current constraints that have been put on our business models. The USC is currently maxed out in terms of space capacity – we have no additional space to provide for clubs, students or events so we need to make the most effective use of the space we do have. Over the past six years, the USC has gone through an exercise during which irrelevant and or uneconomical businesses were cut. We are now into a growth phase where we are committed to growing relevant services for the students while continuing to test our services for economy, and student need/want.

Overall, the budget being presented is a strong budget that moves the USC closer to a service based budget. Having a service based budget is important as it enables all readers of the budget to see what our programs and services actually cost. It also allows all levels of decision makers to determine if the cost of those programs and services is a fair allocation of the funds received from the students at Western.

Budget Themes and Preamble

Every year the USC looks for themes that should be or can be built into the budget strategy. The themes arise from need to adapt and change, from the strategic plan and out of the need to reinvent ourselves in order to remain competitive and relevant to our market place. There are two main themes for the 2015-2016 budget. These themes are:

- Reform – budget methodology doesn't change from year to year. Each year you try to get the expenses of the organization to equal or be less than the revenues received. This year's budget looked at what was in the budget in a very different way – they looked at the why! Why are we providing services in the manner that we do, is there a better way? The budget strat team also looked at fees in a different way finally getting the USC to a place where we can show which fees pay for what. This is a first in USC history. The team also analyzed and morphed some newer departments so that they were better set up for success. And finally, the team sought to see if the USC could do what they do but in a better, more 21st century way.
- Strategy – Throughout the years, the USC's strategic plan has gone from a profit first mentality to one where they sought to change the governance process such that it was a service first mentality. Then they changed again and sought to strike a balance between academic endeavors, advocacy efforts and entertainment or programming needs. The strategic plan being created for the 2015-2016 year is one where the USC needs to focus on testing for relevance. This will be done with our departments, the service offerings being provided and with who provides the services.
- Relevancy – The USC needs to change and morph with the changes in the outside world. The USC needs to ensure that it is providing experiential outcomes that are worthwhile to the students. The USC needs to ensure that it is consistent with its approach in order to establish a reputation for relevancy and brand.

1. REFORM

After many years of having to cut large slices out of the budget of the USC just to ensure a balanced bottom line all at the same time as ensuring that we maintained minimal increases to student fees, it has taken a toll on the USC's ability to grow. Now that the USC is in a more stable position, we have come to the realization that in order to remain relevant to the student body, the USC

needs to grow but that we need to do so strategically. This budget puts forth further growth in the area of advocacy. The USC created the advocacy services department in last year's budget and has worked since to formalize the service not only within the Western Community and the city of London but also with our Board of Directors and Council. This service works to oversee all advocacy efforts and also works to ensure that those efforts are all working together. We want to put forward strong messages that do not contradict one another regardless of who or what level we are talking to.

The USC has also worked to transform Volunteer Services, created in the budget in prior year, to Volunteer Resources. The distinction is subtle yet imperative to the success of the department. They are now seen as a resource for all USC volunteers (paid and non-paid) to go to for clarification, recognition, clarity of expectations or anything else that they need. We have ensured that all volunteers are now trained the same, treated the same and valued the same regardless of title, job expectations or experience. In short, this change from VS to VR is an evolution in student engagement as in the past, the volunteers come into their positions with no expectations, they all end up being managed differently and ultimately all walked away with very different experiences. As a result of those factors coupled with the fact that without volunteers, the USC cannot do the things that we have always done, it was necessary that we develop a department to set common expectations, goals and learning outcomes for the various volunteer positions we have. The goal was to have job descriptions to aid in the development of common expectations. The USC also wanted to ensure that volunteers were being recognized for their efforts in a consistent manner. The addition of this department has to streamline the volunteers and also enrich the program in terms of consistency and recognition.

The USC is working to reform some existing departments as well. Western Film and Creative Services have both had new business models created for the 2015-2016 fiscal year. This has been done in an effort to improve the services provided, do so in a more efficient and effective manner and package the service offerings in a way that make them more relevant to the students at Western.

The USC has continued to reform their student development efforts as well. Over the past three years, the USC has been developing students via the intern program and the newly introduced AVP program from last year's budget. This program has enabled the USC to recruit, evaluate and track performance of the interns and AVP's throughout the year. These functions are all carried out in conjunction with and directly by the USC Human Resources department. This budget recommends that the student intern program not only continue but it is recommended to grow. The USC has evaluated and made changes to the AVP program as well in the upcoming budget. This program will continue to grow and evolve in order to ensure that

students in the positions are receiving valuable and experiential opportunities while at the USC. The continued growth in this area will hopefully allow increased attraction of well qualified students to the intern positions as well as the AVP positions. The Human Resources department will continue to ensure that the interns get credit for their work via the co-curricular transcript. The goal for this program is that it develops into a program that other schools and student unions desire. We want to be on the cutting edge in terms of how we develop students within the USC.

The final area of reform for this budget is the fees. This budget works to reform the fee structure for the USC in that we have been able to, for the first time ever, set the fees up such that it is clear which fees pay for what.

2. STRATEGY

Throughout the years, the USC has gone from a profit first mentality to one where they sought to change the governance process such that it was a service first mentality. Then they changed again and sought to strike a balance between academic endeavors, advocacy efforts and entertainment or programming needs. The strategic plan being created for the 2015-2016 year is one where the USC needs to focus on testing for relevance. This will be done with our departments, the service offerings being provided and with who provides the services.

To get an idea of how the USC will be “testing” for relevance, the *draft* strategic plan objectives and strategic priorities are listed below. Each service offering and department will be put through this framework in an effort to better understand how they fit into the current strategic environment of the USC.

a. Strategic Plan

Objective #1: Enhance students’ educational experience.

Impact statement:

- *Students have access to exceptional learning opportunities at Western both inside and outside of the classroom.*

Measurement:

- *Annual student survey measuring student satisfaction, using 2014 survey as a benchmark.*

Current service offerings:

- *Advocacy and partnerships at Western and at the Provincial and Federal Government to influence enhanced funding and improved services.*
- *Provide quality full-time, part-time, internship, and volunteer experiences at the USC that help students grow leadership skills and apply classroom learning.*

Strategic Priorities:**1. Improve in-class learning.**

- *Advocate for improved teaching, smaller class sizes, and a wider breadth of courses.*

2. Increase experiential learning opportunities.

- *Improve the quality of experiential learning opportunities at the University Students' Council, with a focus on providing more training and feedback.*
- *Advocate for Western to introduce additional Co-ops, internship, and study abroad opportunities.*

Objective #2: Improve students' quality of life.**Impact statement:**

- *Students are able to live safe, healthy, and fulfilling lives and are connected to community while studying at Western.*

Measurement:

- *Annual student survey measuring student satisfaction, using 2014 survey as a benchmark.*

Current service offerings:

- *Advocacy and partnerships at Western and at the City of London to improve students' access to programs and services that support a high quality of life on and off campus.*
- *Broker health and wellness services such as a health and dental plan and maintain tenants within the UCC that support health and wellness.*
- *Provide cultural and entertainment offerings in a safe and supportive on-campus environment.*
- *Food, beverage and retail services to offer students convenience and to help build community on-campus.*
- *Transportation services, such as the London Transit Pass, Mustang Express, and Exam Shuttles.*

- Offer extra-curricular opportunities and community development through the clubs system, orientation week, and events within our community centre.

Strategic Priorities:

- 1. Improve access to health and wellness services, with a focus on mental health.**
 - Attract more health and wellness services to the University Community Centre.
 - Advocate for enhanced mental health services at Western, and a “no wrong door” approach to all student wellness services.
 - Investigate enhancements to the health plan that support mental health.
 - Incubate a new peer support service delivery model.
- 2. Enhance transportation services, with a focus on improved public transit.**
 - Advocate for immediate improvements that improve the reliability and quality of the bus system.
 - Advocate for long-term improvements, such as the implementation of Rapid Transit.
- 3. Improve students’ experience in London, so that students feel safe and connected to their community off campus.**
 - Find opportunities with community partners and the City of London to improve student civic engagement.
 - Work with neighbourhood associations, police, and other community leaders to enhance student safety and inclusion in the London community.

Objective #3: Responsive stewardship of organizational resources.

Impact statement:

- Resources and support services are aligned with the goals and priorities of the organization.

Measurement:

- Balanced budget that has the flexibility to invest in continuous service improvements that are aligned with Council’s priorities.

Current service offerings:

- *Financial and risk management services that support our clubs and internal activities, support the development of our budget, and provide ongoing financial analysis and oversight.*
- *Government services that support our legislative and advocacy activities, and our campus media.*
- *Human resources services that empower our executives, managers, staff and volunteers to be at their best, and to work within a safe and supportive environment.*
- *Building, production, and project management services in support of our events and activities.*

Strategies:**1. Enhance our ability to align resources with our current priorities.**

- *True cost our organizational resources so that we can show value to students for dollars invested.*
- *Reorganize our student fees so that they are more accurately tied to the cost of service delivery.*
- *Budget over three years so we can plan for the future, and understand the impact of our decisions over the long-term.*

2. Strengthen our governance supports and processes to facilitate informed decision-making.

- *Enhanced training for our Board of Directors and Council so that our leaders can make wise and informed decisions.*
- *Improved governance processes that allow for due diligence, and support open and informed discussion and debate.*

3. Invest in new corporate supports to align with the priorities of Council and the Executive.

- *Develop a professional promotions function to better engage with students.*
- *Invest in our capacity to conduct research and policy analysis in support of our advocacy agenda.*
- *Develop enhanced training for all student positions, focused on learning outcomes and supporting our Executives and volunteers to succeed in their roles.*

In short, the USC will be using the above model to test the existing service delivery models for departments, test new service delivery models for departments but also to test the composition of those models with a specific interest in testing how the service is delivered, how it could be delivered differently and what the relevant composition required for that service delivery looks like.

b. Three Year Budget

The USC introduced the notion of a three year budget in the 2014-2015 fiscal budget. The goal of a multiyear budget is to illustrate how the organization will look over the next three years. A multiyear budget uses the first year as a baseline upon which to build out the assumptions of how decisions made in 2015-2016 will look over 2016-2017, 2017-2018 and 2018-2019. The inaugural year was a simple three year projection that was based on a lot of assumptions. The multiyear forecast put forward as part of this budget has used trending analysis over the past two to three years as part of the process to build the assumptions used in its creations. As a result, the assumptions are stronger and are meant to represent the best assumption possible using all the information available as at the time of putting the budget together. It is important to note however, that a multiyear budget is only as good as the assumptions used to create it. This means that if any of the assumptions is found to be wrong or too conservative, it changes the entire outlook for the multiyear budget. A budget (for any length of time) is only as good as the information available at the time the budget is set.

This budget package presents the 2015-2016 budget with a projection set of budgets that goes out for an additional three years. In other words, this budget package presents a four year budget for the Board of Directors, the Long Term Planning and Budget Committee and Council to review and consider for approval.

3. RELEVANCY

The USC needs to change and morph with the changes in the outside world. The USC needs to ensure that it is providing experiential outcomes that are worthwhile to the students. The USC needs to ensure that it is consistent with its approach in order to establish a reputation for relevancy and brand.

- a. Gazette – In order to attract adequate numbers of volunteers as well as highly talented volunteers, the Gazette needs to ensure that they are providing experiential outcomes that are of value to them in the “real world”. Working on the “hamster wheel” just to churn out 4 papers per week isn’t providing the type of experience that aids in job opportunities outside the USC once the students have completed their education. Based on survey information from past Editorial staff, research conducted and conversations with those working in journalism today, the need for digital experience is key. It is one of the most important elements leading to good solid job prospects after graduation. As a result, this budget sees the

Gazette requesting a large student fee increase for 2015-2016 as well as in 2016-2017 in order to be able to afford and facilitate their transition to a digital first platform. What this means is that they would maintain a digital product as well as a print product. The content would be different for the two platforms and would require a greater need for volunteers. A portion of the fee increase would go training and recognition of these volunteers (something the USC has already noted goes a long way in retaining volunteers).

- b. Promotions Department - The USC has incorporated into the 2015-2016 budget the creation of a new promotions department. In the past, the USC has never had a consistent approach to promotions. This has led to poor recognition of USC events, lack of brand recognition and a lack of identity within the Western Community.

The Budget Story

This document is considered an integral part of the executive summary document for the 2015-2016 budget for the USC. This document explains assumptions used and the reasons behind certain decisions made as part of the budgetary process for the upcoming year.

This document will provide context for what has been included in each of the corporate expense lines and will also provide context for what the departmental budget figures include.

The Specifics

Student Fees

This year the student fees have been regrouped so as to be able to align them with the expenses that they are used to pay. The base fee – now called the government fee, goes to pay for the PVP portion of the budget. This amounts to \$750K in total. Main campus students pay \$29 in a base fee and affiliate students now pay 38% of that. This fee has been frozen and does not get any increases, including inflation.

CASA, OUSA, CLS, Ombuds and Daycare fees have all gone up by 1.9% which is in line with external rate of inflation for the year.

The WUSC fee and the Radio Western Fee have been frozen.

The Capital fee has been increased by the internal or Western rate of inflation which is 4.25%. This rate has been used as it better reflects the actual costs incurred when doing capital projects on Campus.

The UCC fee has now been renamed the Occupancy fee and will increase at the same rate as our occupancy does. This year it will increase by 5%.

The late night bussing fee, faculty council fee, grants fee, Gazette fee and the remainder of the base fee (difference between amount charged last year and amount named above) will increase by the internal or Western rate of inflation which is 4.25%. This will now be called the Admin fee.

The health plan admin fee increased by \$1.00 and the dental plan admin fee increased by the same. As a result, students of the health and dental plans will pay an admin fee in the amount of \$3.50 to each plan for a total of \$7.00 in admin fees. The increase in admin fees will ensure that the users of the health and dental plan are the ones paying for the bill received from Western as well as the direct admin associated with the plans rather than all students at Western paying for those services.

The bus pass fee increased by 5% as per the agreement that the USC has with LTC. The admin fee for the LTC increased by \$0.50 as well.

The student fees continue to take into account the Affiliate Agreement. The total number of students used within this budget was 23,000 main campus students and 6,000 affiliate students for a total of 29,000. It was also assumed that there were 6,000 graduate students.

Transfers Out

This number is directly tied to student fee revenue and student numbers and represents money collected that is directly transferred out to outside sources. The biggest pieces include the Health Plan, the Dental plan, the capital fee and the Bus Pas student fees.

Miscellaneous General Revenue

This line represents money that is earned by the USC from miscellaneous sources. The largest contributor to this line is interest earned on bank accounts held. Given that Western now sends larger sums of student fees to the USC earlier, the USC is able to earn higher amounts of interest as we hold the money rather than Western. This area also includes rental fees that the USC receives on CHRW assets and the CHRW admin fee. Overall, we have based our estimate for this area on amounts actually being earned in the current year.

The dollar value for the budget in this area has been set at \$220,000.

Corporate Expenses

General Corporate Expenses

This grouping of corporate expenses includes: insurance, legal, audit services, contingency and bank charges. In past years, this grouping also included loan interest as well. For this budget (and prior year's budget), this amount has been moved to the capital budget. A legal expense in the amount of \$30K has also been included – this is meant to cover all legal costs that the USC could incur in any given year. This is our standard legal expense amount as we are not expecting anything out of the unusual to occur during the year. Insurance tends to be one of the biggest expenses in this area. Last year, the USC negotiated with a new insurance company that was able to provide more coverage for less money. As a result, our total insurance bill for general liability insurance, directors and officers insurance and media insurance was \$124,000 rather than the \$180,000 that was expected from the former company. This year the budget is \$98K for insurance after the club and faculty council pieces have been allocated out. Audit services are expected to cost approximately \$65,000. Also included in audit fees is the amount expected to pay an actuary for a full actuarial report on our Post Retirement Benefit Obligation calculation. This is expected to cost \$20K. The costs of running Mustang Express are included in this area of corporate as well. It is expected that it will cost about \$250K to run the service for next year from an administrative perspective. The contingency expense piece remains consistent at \$60K. We have also included \$3K for accessibility expenses.

General Building Expenses

This includes corporate occupancy as well as building security needed throughout the year. The cost of security is expected to be \$32,000 for the 2015-2016 fiscal year. Building occupancy for corporately allocated space is expected to be \$424K. Corporate occupancy includes all areas assigned under the PVP portfolios, 340 suite, IT, HR area, Legislative services, finance, all common areas and half of all lounge spaces at the USC including those in the Spoke.

Office Expense

This expense grouping includes corporate travel, all conferences, meetings, telephones, Smartphone expenses and office equipment and supplies. This year's budget includes \$55K for travel and conferences for staff and some exec. This expense includes all accommodation, delegate fees and food expenses for all conferences for all staff. These amounts enable corporate staff and eligible delegates to travel to the ACUI conference, COCA conference, NACA conference, AMICCUS-C conference and others as well. This is a good way for the USC to give back to the staff that runs the departments to ensure that we are investing in them so that they can stay relevant in their areas and expand their knowledge base as well. The increased amount for conferences in the budget allows more flexibility to accommodate the increasing requests from staff and exec. We have budgeted a further \$18K for corporate retreats and meetings for GM, Managing Directors, Senior Managers, Managers and all staff. These figures also include the costs of all retreats, town halls and other meetings that are held throughout the year with staff.

Salaries and Benefits

This expense grouping includes corporate salaries, benefits, professional development, health and safety costs and staff appreciation costs.

Professional development – budgeted \$35K. This includes PD for various departments (as identified by HR and supervisors through performance appraisal process), includes industry specific learning opportunities for departments, computer skills building courses for various staff as well as a fund of \$5K total specifically dedicated for professional development for the executive. Over the years, there has been more interest in professional development opportunities by staff and exec alike. The increased amount for professional development in the budget allows more flexibility to accommodate the increasing requests from staff and exec. The exec specific allocation allows for a continued progression of learning for our executive members rather than a one year pause in their educational journey. Professional development dollars go toward the development only and do not cover the costs of text books.

Professional Dues - \$10,000 to cover costs associated with designations held by Managing Director of Financial and Corporate Resources, HR Manager, HR staff and Government Services employees.

Health and Safety - \$9,450. This is the amount that has been identified as necessary by HR to ensure that the USC meets all health and safety requirements.

Wellness - \$28,565 . This has increased this year as it also includes amounts for our wellness program for staff. There is an additional line entitled health and wellness which has been included to cover off our obligation within the CBA Article 26.11. This is an area that is well utilized by staff.

Staff Courses – A total of \$16,000 has been included to cover off the obligation within the CBA Article 27.04 and 27.05. This is an area that has had continued growth over the past 3 years.

Staff Appreciation – a total of \$11,000 to be used for summer staff appreciation, birthday celebrations, 2 staff breakfasts, holiday party, board farewell and service anniversaries. This represents a small decrease from prior year based on actual data from current year.

Corporate Salaries

This line includes the mandatory increases for all union staff as agreed upon in the collective agreement. This amount also includes an economic increase of 2.0% for all non union staff members, a contingency for job evaluations that are currently being evaluated by the joint job evaluation committee, plus an additional pool of “flex dollars” to be used for various salary needs throughout the year, including hirings, terminations, etc. This amount would be utilized at the GM’s discretion based on organizational needs. The part time salaries line includes \$45K for student interns – this includes an HR intern, an IT intern, four marketing/promos interns and a volunteer services intern. The intern dollars also includes appreciation dollars for both the corporate interns as well as the government interns throughout the year.

Benefits – calculated at 19% of total corporate salaries.

Corporate Capital

This amount has been moved to the capital budget. Capital budget is funded through the capital fee that was brought in by referendum in conjunction with the gym renovations. Management maintains and updates the 10 year capital plan on a regular basis. Management works to build in new priorities and ensures that all priority items are planned in conjunction with the capital plans of Western. The USC has now formed a partnership with Western in terms of dealing with the capital needs of the UCC building. We plan well in advance and work with our

dollars as well as Western's dollars to get the necessary capital projects completed in a timely manner. We work together to find efficiencies in terms of scheduling and types of projects to ensure that the disruption to the building is kept as low as possible. The capital plan encompasses all new capital, new renovations, and regular maintenance aspects as well as required replacement of older equipment etc. The capital plan places priority to items that require attention due to safety issues first and then look to those items that are required due to operational need. Priority is also placed on items that fit work being planned by Western. There is a regular maintenance piece that is built into the capital plan as well – this piece is dictated by the need to replace and update existing structures and equipment. There is a small portion of the capital plan each year that is meant for new capital needs or those needs that arise unexpectedly. While the capital plan is flexible in nature, there is little room for flexibility overall as the capital needs are static. This means that regardless of what gets done when, the needs still exist and will need to be done at some point. This needs to be considered when looking to add new priorities into the plan.

The capital plan will be reviewed and approved at the Council level as it is a document of Council. Once approved, the Board has purview over how the approved dollars are allocated so long as the vision doesn't vary from that approved at Council. Council will receive an update once a year on the spending for the year as well as an outline of the expected spends for the upcoming year at Budget time.

Gazette

As mentioned above, the Gazette is looking at a large student fee increase to help cover off the costs associated with moving to a digital first mentality. The increased costs include: higher honoraria to maintain volunteer base, a digital transformation manager position (three years), training and volunteer appreciation dollars, a second compositor for the paper as well as increased staff resource need from the USC proper. The editorial staff will now work and be paid for 12 months of the year rather than 10. They will be looking for a \$3.02 increase in their operational fee this year. The \$0.50 multimedia fee remains in place and continues to be governed under a memorandum of understanding. The Gazette will be moving for a \$1 increase to the multimedia fee this year to start to cover off the capital costs associated with going digital first. Total fee increase requested will be \$4 for 2015-2016. They will also be requesting a \$2.10 operational increase in 2016-2017 with a \$1.90 increase to the multimedia fee for the same year. Overall, the Gazette requires a \$4 increase this year and a \$4 increase in the following year as well. After that, they should not need further increases to their fee other than inflation.

Risk Management

Compliance

The compliance department continues to operate and provide support for clubs. They also provide support for grants administration through the VP Finance. This department and the staff are considered a support function to students and are therefore housed with all other support functions in corporate.

Long Term Rentals

Rentals include the expected rent to be collected from the tenants within the UCC. Rentals also include the bank machine revenues for each of the ATM machines in the UCC. The revenues from the bank machines in the Spoke and the Wave are attributed to those departments.

Creative Services

Beginning this year, this service will once again become a one stop shop for ONLY the printing needs of students. This is a new service delivery model that will be rolled out in the new year. They are running with less part time staff which may result in slower turn around times but a more efficient and cost effective way of running the operation. The USC is no longer in the business of O Week clothing production and as a result that position has been removed from this service unit. The overall deficit for this unit in this budget is -19K versus -\$120K prior year.

Building and Promotional Services

Mustang Central – includes the budget as submitted by departmental manager. This is a relatively new area for the year and serves as the concierge for the USC. This area also houses the admin costs associated with the Health Plan and Bus Pass. All admin fees collected in association with the Health Plan, the dental plan and the bus pass are housed within this budget as well. The bill received by the USC from Western with respect to the health and dental plan gets expensed here.

Purple Store

Budget remains unchanged from the submission by the manager. They are expecting to finish the year with a surplus of \$5K and are budgeting a breakeven for next year. Sales have been strong throughout the year and are expected to continue.

Promotions Departments

This is a brand new department for the USC. This will consist of a manager, a video promotions coordinator (who will also work with Western TV) and a graphic design coordinator. Together they will work to promote all things USC. They have a budget of \$10K for promotional endeavors in this budget.

Productions

USC Productions – includes the budget as submitted by departmental manager. Includes the occupancy on the conference rooms. There continues to be a revenue stream for labour charged out to departments and clients but this is mainly for AV equipment and expertise. Built into the budget for this year is the fact that this department is now responsible for all set up, tear down and production of events. This department has seen huge growth in the level of use of the staff. There are more events being done year over year and the events require more expertise. The fee increase has enabled this department to meet all execution needs and has met the increased volume need without students incurring charges above and beyond the regular tech charges for the service being provided.

Western Connections – includes the budget as submitted by departmental manager. Includes the occupancy on the bookable space within the Mustang Lounge, atrium, etc. Budget assumes status quo for Western Connections. The costs associated with running the late night exam shuttle continue to be housed within this area as well.

Food and Beverage

Wave

The Wave is expected to finish the 2014/15 fiscal year with a deficit of \$(26K) and is budgeted for a deficit of (\$19k) for next year. The Wave is not budgeting for menu price increases for the upcoming year and are looking to continue heavy advertising to increase awareness to students and staff alike as to where they are and what they do. The Wave also has a goal of increasing the number of formals held in the venue. Holding events on campus is cheaper in the long run for the faculty council as the Wave is able to provide more (more food, better food, more décor, etc) then you would get if you went downtown.

Spoke

The Spoke is expected to finish the 2014/2015 fiscal year with a surplus of approximately \$186K and are budgeting a surplus of \$175K for 2015/2016. Surpluses earned in this area are used toward offsetting programming and events costs for the USC as a whole and also allow the food and beverage

department to do events at cost and without excessive room rental charges or other overhead charges. Spoke is not budgeting for any price increases for the upcoming year. They are continuing to hold Spoke specific programming for those students who wish to stay on campus throughout the week.

Western Film – budgeting for loss of approximately \$25K for the upcoming year. The installation of our new digital equipment brought expectations of increased revenue however, since the install, first run theatres are now holding onto movies for longer which have delayed Western Film from getting films in a timely manner. Further, because first run theatres have held the movie longer, fewer people want to come to Western Film to see the flick once we do get rights to the movie. As a result, we have built a new service delivery model and are currently working to test some of the ideas out. This will be a telling a year for Western Film as if the new ideas don't "pan out" and we don't see an improvement in the bottom line and more importantly an improvement in the perception of value for Western Film over the next year, the USC will be shutting it down.

Appendices

1. Budget Recommendation
 - a. Exec summary
 - b. Three year projected budget
 - c. Fee schedules
 - d. Corporate schedules
 - e. Executive budget narrative
 - f. Executive budget breakdown
 - g. Strategic Plan
 - h. Capital reconciliation