



AGENDA REPORT TO BOARD OF DIRECTORS

MEETING DATE: September 29, 2017

Item:	Capital allocations
Author:	Carrie Passi, Senior Manager Finance and Administration
Purpose of Report:	FOR APPROVAL REPORT to approve that changes to capital allocations will leave adequate funds for the department to function

Recommendation: For the Board to accept this agenda report as a for approval report, which outlines the trend of spending within the EBS department in order to justify the decrease in proposed spending allocations as per the most recent Capital Plan. It is recommended that the Board approve the reduced spending allocations.

Legislative History:

Five year capital plan 2017-2022

Background:

When the capital plan was brought to the Board in June 2017, there were proposed reductions to the allocations within the plan in order to make room for the increased funding required to complete the Spoke renovation. At that Board meeting, it was questioned whether or not the allocations were sufficient to allow the departments to function and respond to student requests. It was asked that we bring back a justification for the reduced level of spending at a fall meeting of the Board.

Report:

In order to assess whether the reduced spending allocations were sufficient, a review of the past spending was conducted. It was noted that over the past six years (2012-2017), the USC has spent \$1.98M in capital for the Events and Building Services department. This spending

included: all new sound, lighting, furniture and AV equipment as part of the Mustang Lounge renovation, all new AV, furniture and tech for the conference room renovations, new lighting, sound and AV for the Wave, new portable staging, chairs, tables, brand new lockers, mixer boards, streaming equipment, new curtains and renovation to Western Film and the building of portable AV/sound equipment for events not in the Wave or Mustang Lounge. The USC has spend a considerable amount of money investing in this department to ensure that equipment is new and is in line with what the students want in terms of sound and lighting capabilities. This is in stark contrast to the six years prior (2006-2011) there was a total of \$66K spent. The breakdown of the spending is outlined below.

2006	\$500
2007	\$12,030
2008	\$32,643
2009	\$ NIL
2010	\$6,500
2011	\$14,422
2012	\$1,022,000
2013	\$337,829
2014	\$284,473
2015	\$151,000
2016	\$ NIL
2017	\$181,365

As the trending indicates, there were some years where zero spending occurred yet student programming continued. Further, in the most recent capital plan, we now have maintenance and contingency dollars allocated as well. This helps to ensure that when items break they can be replaced right away. It also helps to ensure that painting is kept up so that the spaces look as new as possible for as long as possible.

The allocations proposed in the capital plan still allow for spending for Events and Building Services. In fiscal 2018 they have \$35K to spend with an additional \$75K earmarked for building a new clubs space. In 2019 they have \$50K, 2020 they have \$60K and then in 2021 and 2022 they have \$40K and \$50K respectively. These amounts still allow them to buy new equipment as per student needs on top of all of the equipment they have amassed over the past six years.

Given the large investment that was made to this area over the past six years, it is the natural cycle within the USC to scale that spending back so that resources can be allocated elsewhere

within the finite amount of capital dollars that we receive. As a result, it is recommended that the reduced allocations within the capital plan be approved.

Financial Implications:

The reduced spending allocations ensures that the USC spends within the existing capital fee collected every year.

Attachments:

Sign-Offs:

Author:	Carrie Passi	
Financial Review:	Vicki Macauley, Senior Manager Financial Services	
Governance Review:	Erin McCauley	
Chief Operating Officer Review:	Jeff Armour	