

Residence Budget Advisory Committee
(RBAC) Meeting
January 29, 2019
1:30 pm – 2:30 pm
2-15 SAB (South Academic Building)

ATTENDEES:

Andrew Sharman, Vice-President (Facilities and Operations), Chair
Masoud Aliramezani (attended for Zhihong Pan, GSA Vice-President External (delegated by the President of the Graduate Student Association)
Andre Bourgeois, SU Vice-President Student Life (delegated by the President of the Students Union)
Andre Costopoulos, Vice-Provost and Dean of Students
Alex Ho, ASA President of Communications (via phone)
Katherine Huising, Associate Vice-President, Ancillary Services
Reed Larsen, SU President

ABSENT:

Sylvia Fong, Senior Financial Officer, FGSR (delegated by Vice-Provost and Dean (FGSR))

1. Review minutes of July 19, 2018

Minutes approved.

2. Discussion on revised process of rental review (RAC vs RBAC)

A Sharman asked the representatives of the Students' Union (SU) and Graduate Students Association (GSA) to confirm whether or not the consultation process is working and whether or not the budget discussion should be moved permanently to the Residence Advisory Committee (RAC) and the Joint Residence Oversight Committee (JROC). A. Bourgeois confirmed this is working for SU, and speaking on behalf of Z. Pan, M. Aliramezani agreed that this new process is working for GSA. The decision was unanimous that if both SU and GSA are satisfied with this new process, RBAC will be suspended.

Action: The RBAC website will direct people to RAC and JROC.

3. Presentation of Governance Executive Summary documents

K. Huising handed out the Governance Executive Summary (GES) for the residence and meal plan rate increases going to the Board of Governors for approval.

Rate increases have typically been closely aligned with increases to the Consumer Price Index (CPI). However, a broad-based, lagging indicator such as CPI is incapable of recognizing the unique cost drivers inherent in residence and dining services. Most acutely, recent increases to CPI fail to sufficiently address the impact of increased costs resulting from collective bargaining outcomes including the unionization of residence assistants, increases to minimum wage, and property taxes paid to the City of Edmonton. As a result, the residence system is under-funded which has resulted in a structural operational deficit and a curtailment in maintenance investments.

This proposed increase was taken to the Board of Governors on December 14, 2018 in the form of a presentation. The presentation addressed the deficit and improving residences, calling for a 5% increase in each of the next five years. This increase was discussed with RAC.

R. Larson asked where the growing costs are coming from, besides the catch up and outside of the normal rate of inflation. Increases are coming from employee benefits which increased by 5.5%, utilities have increased; property taxes increased by 5% over the last year, and the increase to minimum wage.

R. Larson asked if Ancillary Services received ongoing sustainable funding for deferred maintenance, would this affect these increases. K. Husing confirmed that yes, if Ancillary Services received funding for this, it would certainly affect these increases.

A Bourgeois reiterated that the Students' Union would have to vote no to this increase due to their mandate.

4. Delegation of authority

For residence and meal cost increases, the recommendation from central administration is that Ancillary Services develop a matrix for the development of a calculation. Once this matrix is developed, it will be discussed with SU and GSA. Once that calculation is approved by the Board of Governors, increases to residence and meal rates that stay within the approved upon calculation, will be brought to the Board of Governors for information. Approval by the Board would be required if the rates were raised above the pre-approved calculation.

This matrix proposal will be presented to BFPC and Board of Governors in the spring and it would be discussed annually with the SU and GSA.

R. Larson recommends that all increases be submitted to BFPC for a level of oversight. He wants to see the full formula before this it is presented to the Board. He feels this is a good idea particularly in correlation with long-term predictability. Wants third party indicators, standard for indicator is CPI. A Sharman wants this in place by September if possible; however, CPI does not cover the total financial pressures that Residence Services faces.

M. Aliramezani asked what the process will be for taking the calculation to the Board. A. Sharman responded that the request to proceed with determining the calculation would go to the Board for approval, and then once the calculations are finalized, it would go back to the Board for final approval. K. Husing confirmed that conversations and engagement with student organizations will take place over the spring and summer. A. Ho asked when the final calculation formula will be approved. A. Sharman confirmed that he would like to have the Board approve the calculation formula in the fall of 2019.

K. Husing advised A. Ho to connect with the SU as his conversation with them will be an important part of this process. Need to loop his organization into the RAC conversations. With the suspension of RBAC, A. Ho asked if there can be an Augustana rep on RAC.

Action: K. Husing will speak to J. Johnson about having Augustana represented on the committee.

A. Bourgeois recommends that Ancillary Services repeat what was done this year, bringing the rates to the Board early.

Meeting adjourned at 2:00 pm.