



SSMU BOARD OF DIRECTORS PUBLIC MINUTES

November 21, 2019

The Board of Directors meeting of the Students' Society of McGill University (SSMU) will be held in the SSMU Boardroom on Tuesday, November 21, 2019, at 6:00 p.m.

Present: Husayn Jamal (Chair, non-voting), Bryan Buraga (Officer), Sanchi Bhalla (Officer), Billy Kawasaki (Officer), Adam Gwiazda-Amsel (Officer), Jonah Levitt (Member-at-Large), Sam Haward (Officer, non-voting), Madeline Wilson (Officer, non-voting), Jordyn Wright (Legislative Councillor), Rohan Bhutkar (Legislative Councillor), Jack Kline (Member-at-Large), Paige Collins (Member-at-Large), Ana Paula Sanchez (Member-at-Large), Mustafa Fakh (Legislative Councillor), Adin Chan (Legislative Councillor), Michal Chernov (Governance Manager, non-voting)

Absent:

1. Call to Order: **18:16**
2. Land Acknowledgement

The SSMU acknowledges that McGill University is situated on the traditional territory of the Haudenosaunee and Anishinaabe nations, a place which has long served as a site of meeting and exchange amongst Indigenous peoples. The SSMU recognizes and respects these nations as the traditional custodians of the land and water on which it is located.

3. Adoption of the Agenda -- **ADOPTED**
4. For Discussion - Presentation of Audited Financial Statements

The auditors from Fuller Landau explains the process of looking over the financial statements and outlines the order in which he will be covering the corresponding material in order to explain their processes and findings to the Board of Directors. The individual points the BoD to look at the first document of the auditor's report, marking it as the only substantial difference that originated between the independent auditors report and the unqualified auditor opinion they had previously received. This document explains why there are qualifications in the auditor's report, one of them being the possibility for cash transactions to occur- explaining that if auditors are not there every time a cash transaction occurs then they cannot ascertain in a substantive manner the completeness and accuracy of the cash being reported in a transaction. The individual explains that the second qualification outlined has to do with the SSMU Daycare, because there is influence through the means



of Board members that are part of the decision making process on the Daycare side but also belong to the process on the SSMU side, even though there is no formal ownership, the Daycare can be viewed as a subsidiary. Due to this relationship, according to accounting standards- the Daycare would have to be consolidated into the statements of the SSMU which it currently is not, something that was brought up a few years back. The auditor states that it really depends on the SSMU as a body to decide on how much effort they want to dedicate to removing these qualifications going into the future. This concludes the summary portion, and the auditor subsequently guides the BoD members to turn to the balance sheet on page 4.

The auditor explains that the balance sheet reflects what the SSMU owns and owes as of this moment. The auditor demonstrates the different funds the SSMU has and explains what fund accounting is, which is more on a cash-receive basis, which is recorded when received and not have to wait for the related expense to go through. The auditor explains that fund accounting is what the SSMU applies. The auditor goes on to explain the different columns presented on the screen in terms of funds accumulated and points them out in comparison the funds this year in comparison to last year, pointing out that the SSMU drew down on some of its investments this year in order to sustain its operations in the wake of the building closure, pointing out that there is less income coming in on that front. The auditor explains that in order to redeem some of its term deposits and liquidated some of its assets. The auditor points out that the only other differentiation is the timing of payments, and explains the next slides, which include information on net revenues from the different sub associations under the SSMU umbrella as well as term deposits and cash (of which there is about \$744,000). The auditor explains the different costs incurred by the SSMU in previous years, amortizations, including the purchase of the 3501 Peel building and the breakdown of associated costs, which cost a significant amount. The auditor moves on to speak about the liabilities for SSMU, pointing to the health and dental premiums that are payable which are equivalent to about 2-3 months of premiums. The auditor states that total premiums for the year amount to \$3.6 million, even as premiums decreased this year, and goes on to explain the different processes that go into calculating the variances from this year to last year and the years before.

The auditor then speaks to the bursaries payable section that has always been on the balance sheet as a liability but it was never certain what this was for and whether it was payable or not, but due to the uncertainty whether it was payable or not, they had concluded that it would be erroneous to remove it without any evidence that it was not payable. In 2019, however, it was obtained through the Deputy Provost confirmation that it was actually not a payable, and therefore the SSMU was able to reverse this owing amount and it comes in as a 'forgiveness', which will be visible on the debt sheet. The auditor points out that the long term debt that follows the capital asset, there was a debt assumed with RBC in 2018 around the same time of the 3501 Peel Street building purchase to the tune of \$3.2 million dollars, after the down payment and carries a 3.72% interest for five years, which matures in 2023, the payments amounting to \$18,929 dollars per month, these payments being part capital and part interest.



The auditor then goes on to show the Board the statements of revenues and expenses, pointing out that student fees income are fairly similar to the previous year and are fairly consistent. The auditor points out to the Gerts portion of the revenues and expenses, showing that there was little to no revenue but some expenses still exist in terms of salary allocations that will go towards Gerts. The auditor address the \$140,000 increase in services from 2018 to 2019, explaining that that this is charged with the student fees for any services offered by the University, mainly due to there being more activities with higher student engagement in 2019, so there are more allocations to income at that level. The auditor then goes on to briefly explain the investments portion on the page in terms of dividends, bonds or term deposits. The auditor quickly moves on to actual realized losses section in the presentation, explaining that this refers to securities sold in the 2019 fiscal year, pointing out that this was the total fair market value less the cost basis, which led to a loss this year. The auditor states that this is not necessarily a bad thing because these losses could also reflect sales of securities where they are not witnessing crude gains leading to the society dumping them to liquidate funds to allocate elsewhere and may just have been a strategy the society's investment advisor had opted for. The auditor explains that the section on all the clubs associated with the SSMU in this context is summed up in one line as the SSMU is acting as an agent (power of decision making lies with the association heads) and not a principle for them. The auditor points to other expenses in terms of health and dental premiums and directs the members to the bottom of the page with the net effect for everything, pointing to a \$275,644 deficit in the year, with total revenues and total expenses calculated. Then with the reversal, you get a smaller deficit and points to a number on screen as being the final deficit. The auditor says that this can become alarming if the Society continues like this, and what the Society needs to look at is that the goal of the SSMU is to break even, as it is not here to make a profit and if it is, it is there to use that profit for a future purpose. He does however say that he would not be alarmed by this one year deficit, and points out that the balance sheet is extremely strong for the SSMU. The other risk is that when you show a gain all the time, the government agencies, such as the CRA and Revenu Quebec, can come in and begin to question whether this is really a non-profit organization and question the status of the organization.

The auditor then speaks to the management letter that they prepare each year. The auditor explains that as they conduct the audit fieldwork they highlight if anything comes to their attention that they feel they should raise to the Board, that they feel should be corrected for the future from an efficiency and operational standpoint. The auditor states management letter this year only had one new point, the rest being points from the previous year. The new point being that reimbursement approval procedures put in place are not always followed as some expense reports were approved and reimbursed without providing receipts or bank statements. The auditor explains that this creates issues for the SSMU as funds can be misappropriated by individuals submitting expense reports without bona fide expenses being incurred and recommends that the SSMU should re-communicate this process with its employees and ensure that these rules are followed by the management and the executive, with reimbursements only being granted with proper documentation i.e. receipts and bank statements in the absence of receipts.



Director Buraga explains that this is a brand new Board, and contextualizes that Ryan Hughes is the former General Manager, referring to the point about the receipts was on the new Boards radar and was essentially a one-time situation to settle some issues by former Executives, but is not something that is normally done or will be done going into the future. The auditor thanks Director Buraga and states that they (the auditors) will update their documentation to reflect this.

The auditor brings up another point that is included in their letter, regarding the lease agreements and how they should be following the CPI Indexes for increases and they did not always follow that in accordance with the dates that the agreement says they did, but followed it as another date. The auditor goes on to state that with the whole renovation process it was decided to look at this at a further date so it is not pressing but good to have on the radar. The auditor goes on to explain the transfer of funds notation in the letter, remarking that if there are too many funds in the other fund at the beginning of the following year, those extra funds get transferred back to the operating fund so the operating fund can be self-sustaining for that year. However, what the auditors noticed is that that transfer is not shown at the bottom, but is shown as an expense in the revenue but should be shown at the bottom. The auditor explains that after talking to our Accounting department and the Comptroller, he came to the understanding that they had deemed it beneficial to do it this way in order to not mix up the way things were happening for accounting and reporting purposes for users.

The last point for the auditor is the ASEQ Health and Dental premiums cutoffs for the year were not exactly the year end, but were based on another 12 month period and due to that there could be a small difference, but this point is now moot as the confusion was resolved in the end.

Director Bhalla asks for some clarification on the point of excess money the auditor had mentioned being transferred out of the student life fund back to the operating fund at the beginning of the year. The auditor clarifies that it is not necessarily excess, as the Student Life Fund could have an excess and keep it there, but rather a determination on part of the operating fund to determine whether it needs money from the overall surplus of other funds to function for the year, and if that is done then excess amounts from other funds would be transferred back to the operating fund to cover that.

Director Levitt asks where the revenue for Gerts came from in 2019. Director Buraga explains that the SSMU has a beer contract with Sleeman, which is distributed to different organizations so there is an interfaculty beer contract agreement and the faculties get an amount proportional (inaudible dialogue as multiple directors speak at once). VP Finance agrees with Director Buraga's statement.

The Directors thank the auditors for their presentation.

5. Report of the Executive Committee - **APPROVED**

Director Buraga explains that part of the function of the Executive Committee is to act as the Board of Directors in between meetings of the board. As such the focus is on day-to-day operations, and as a



result, quite a few of the items in the report are related to HR matters such as new hiring, new roles, etc.

6. Legislative Council Motions for Ratification

- a. Motion Regarding Amendments to the Committee Terms of Reference 2019-10-24 --
UNANIMOUSLY APPROVED
- b. Motion concernant la Loi resserrant l'encadrement du cannabis 2019-11-14 --
ADOPTÉE À L'UNANIMITÉ
- c. Motion Regarding Suspension of the Management Representatives 2019-11-14 --
POSTPONED

Director Buraga explains that the Management representatives have been on Legislative Council since the beginning of the year, but are yet to complete their GSVP Training and as per the GSVP there are specific provisions requiring councilors to complete their training within a month of the first Legislative Council meeting and this was not met. Multiple opportunities were given to complete their training and as a result an interim suspension was handed down to them by the Steering Committee and there was a request by the MUS to have them re-instated, which was rejected. Director Buraga goes on to state that what Legislative Council passed in this motion is to allow anyone else who has completed GSVP Training or equivalent training as assessed by the Anti-Violence Coordinator from the MUS executives to attend as proxies for the Councilors.

Director Buraga says that one of the reasons why he wishes to speak about this is that currently there have been further requests by the two councilors to have an alternate way of fulfilling their requirements. Currently, Director Buraga is trying to ascertain from the Anti-Violence Coordinator(s) if they believe that the suspension should be upheld or due to the proactiveness of the councilors to find a way to fulfill their requirements, they should not be suspended. Director Buraga believes that they should wait for the response from the Anti-Violence Coordinators before voting on this and once they do he will inform the Board and they can vote based on that response.

Director Wright asks Director Buraga if this would happen before the next Legislative Council, because if they do not vote on this would it not simply go back to Legislative Council. Director Buraga states that if they do not vote on the motion it would not be deemed as active but the interim suspension would still stand. Director Buraga explains that while they were given multiple chances to attend, they did have legitimate reasons for missing those sessions so in the interest of fairness he would like the anti-violence coordinators to make the final decision on whether this should be implemented or not.

Director Bhalla asks if they would be suspended from the committees they are a part of if they are only suspended as councilors. The Chair replies in the affirmative. Director Bhalla remarks that the Management councillors are a part of the Funding Committee, and they were there at the last funding



committee meeting two days ago. The Chair says that the Management councillors should not be at any committee meetings. VP Finance asks that if the Funding Commissioner were to make a recommendation to the council on an application, would Council be able to approve that allocation without it going to the funding committee. The Chair replies that in his assessment, that would not be possible. Director Buraga says that it could also go straight to the Board and be approved here.

Director Bhalla asks if the decisions made during that funding committee would still be valid if the suspended councillors were part of the meeting when they were technically not supposed to be in attendance as members of that committee. Director Buraga asks VP Finance Haward if the committee would have had quorum without those councillors present. VP Finance Haward replies in the affirmative and the items on the floor for that committee were unanimously approved, so the decisions would stand regardless of them being there or not.

Director Bhutkar remarks that it was previously mentioned at Legislative Council that there would be no official GSVP training until January or February, so what possible training would make up for that. Director Buraga replies that they essentially got their training assessed, which was Frosh training, which was deemed to be not equivalent by the Anti-Violence Coordinators, so in the case that this suspension were to be upheld, their positions would be suspended until the first opportunity to complete the GSVP training.

Director Levitt asks Director Buraga if Legislative Council has been made aware of the fact that the Councillors have come to Director Buraga separately. Director Buraga explains that they were both CC'ed on the same email (the Speaker and Director Buraga).

Director Fakhri states that in his personal opinion, they should leave this motion until they receive a response from the Anti-Violence Coordinator, as they are the experts on this issue. Director Fakhri asks if this would go to email approval afterwards. Director Buraga replies that once he has a definitive answer, he will forward that answer to the Board and they can deliberate from there in order to ratify or postpone until they have more information.

This motion is postponed.

- d. Report – Club Committee 2019-11-14 -- **UNANIMOUSLY APPROVED**
 - e. Report – Funding Committee 2019-11-14 -- **UNANIMOUSLY APPROVED**
7. Minutes for Approval
- a. Minutes-Board of Directors-For Approval 2019-11-07 -- **UNANIMOUSLY APPROVED**

The minutes are unanimously approved.



8. Email Approvals

There are no email approvals.

9. Motions for Approval

a. Motion to mandate Directors to Committees: -- **UNANIMOUSLY APPROVED**

- i. Accountability Committee (2*)
 1. Director Levitt
 2. Director Collins
- ii. Finance Committee (2)
 1. Director Kline
 2. Director Bhalla
- iii. Health and Dental Review Committee (2)
 1. Director Wright
 2. Director Sanchez
- iv. HR Committee (2**)
 1. Director Wright
 2. Director Fakih
- v. Nominating Committee (3)
 1. Director Collins
 2. Director Kline
 3. Director Levitt
- vi. Comprehensive Governance Review Committee (2)
 1. Director Bhalla
 2. Director Bhutkar
- vii. Services Review Committee (1)
 1. Director Bhalla
- viii. GSVP Committee (2**)
 1. Director Sanchez
 2. Director Wright
- ix. BOMCOM (2)
 1. Director Chan
 2. Director Kawasaki

Director Wright asks if they are expected to sit on more than one committee. The Chair states that he would hope that they would be willing to sit on more than one committee, however, there is more leeway for Councillors that are already sitting on committees, but for Directors-at-large, less so.

The Chair lists out the different committees available and provides a brief explanation of the different committees for all the Directors in the room, and lists out the time slots for the committees and the



specific duties. The Chair explains that if the committee has an asterisk beside it, it means that it must be filled by a Director that is neither an Officer or a Councillor, so it must be a Director-at-large.

Director Bhalla asks why the Services Review Committee is a Board committee, but Clubs committee is a Council committee. The Chair says that this question should be directed to the CGRC.

Director Chan asks about the frequency of meetings for the BOMCOM Committee. Director Buraga replies that it has not met thus far this year due to the lack of the building, but after it is filled they intend to have one meeting this semester to discuss what to do with 3501 Peel; the current intentions being to make it into a wellness hub but to have the meeting to just to make certain going forward.

The Directors here go into individual one-minute speaking sessions to motivate to their qualifications for the respective committees they have volunteered for. The Board then votes on whether to appoint the concerned Directors to the committees.

10. For Discussion

a. Fiduciary Duty and Legal Obligations Training

The Chair explains that this is a resource he received for his external work that he is sharing with the Board, and as such he would hope they not publicly share it.

b. Nominating Committee

Director Levitt explains that from his understanding, what remains to be done right now is the hiring of an International Representative to the Board of Directors and the hiring of two Judicial Board Justices. The Chair explains that for the new members of the Nominating Committee, they will be getting a presentation from the Chair on the Conflict of Interest Policy as part of the Chair's mandate. The Chair explains that the Nominating Committee is chaired by the Parliamentarian. It also consists of an Equity Commissioner, two members-at-large, three Directors, and an HR coordinator, but only the three Directors and the two members-at-large have voting power.

c. Attendance/Lateness at Meetings

The Chair explains that it is the Board members' obligation to attend meetings and it strongly recommended not to miss Board meetings unless the form is submitted 24 hours in advance, or something urgent and/or pressing comes up last minute. The Chair states that future Board meetings should be about 2 hours in duration and there will be an absence submission form for Board members. If you do not attend two (2) Board meetings without first declaring your absence, you will be suspended. The Chair explains that this is due to the fact that if quorum becomes an issue going into the new year, those suspended Board seats do not need to be counted for quorum, allowing the Board to reach quorum and function as it should.



11. Confidential Session: **20:43**

The Board of Directors enters into Confidential session at 20:43.

12. Adjournment: **00:52**

A handwritten signature in black ink that reads 'Buraga' is positioned above a horizontal line.

Bryan Buraga, President

APPROVED