

## **Do you support the changes to the 2019 Student Centre Building Levy Memorandum of Understanding as presented?**

### **Introduction**

In March 2019, BUSU ran a referendum that asked students to fund a new student centre on campus. The referendum passed with 63.9% of students voting in favour.

BUSU has been taking the necessary steps to begin the process of building. BUSU would like students to consider:

- Opening up the repayment term to greater than twelve (12) years.
  - This is a request made from the banks that were approached to finance the project.
  - BUSU aims to have the building repaid in 25 years.
- Approving the use of restricted and un-restricted BUSU surplus to finance up to 30% of the project. This would amount to approximately \$12 million and would be paid back to the restricted and un-restricted accounts over a reasonable period of time.
- The levy to be increased annually up to 5% or CPI (whichever is greater) with approval from the BUSU Board of Directors
- A commitment from students that this levy cannot be removed once the project has started and BUSU has signed contracts with the architects and builders.

As per the original Memorandum of Understanding, the levy will be charged to students once the building is complete.

Below is the 2019 Memorandum of Understanding that passed with the proposed changes.

## Memorandum of Understanding

1. The purpose of this levy is to provide funding to support the building and maintenance of a new Student Centre building
2. The new Student Centre building will be centrally located on campus
3. The new Student Centre building will be developed in such a way that will allow for future additional expansion
4. The New Student Centre building Levy shall be a \$36.50 per credit levy, which will be charged until all costs incurred by BUSU in the construction of the new Student Centre, including without limitation all bank financing received, have been paid in full (the "Initial Levy Period") over a period of twelve (12) years. The levy will be charged to all undergraduate students, both full-time and part-time. It shall be charged in all academic sessions and duration. The fee will be mandatory.
5. At the end of the Initial Levy Period the per credit levy will be reduced to \$8.50 per credit which will be transferred to BUSU to cover the costs of utilities and future maintenance of BUSU operated buildings. The \$8.50 per credit levy will be charged to all undergraduate students, both full-time and part-time. It shall be charged in all academic sessions and durations. The fee will be mandatory.
- 4-6. BUSU shall be entitled to access both restricted and un-restricted funds currently held by BUSU, as reflected on the audited financial statements of the Corporation for purposes of financing up to 30% of the costs of constructing the New Student Centre. Restricted funds include funds received from other student levy's for various BUSU programs. BUSU shall make reasonable efforts to pay back all restricted funds following completion of construction, and shall replenish its other reserves in accordance with sound accounting principals.
5. ~~After the twelve (12) year period paid off, the \$36.50 per credit levy will be reduced to \$8.50 per credit which will be transferred to BUSU to cover the costs of utilities and deferred maintenance. The \$8.50 per credit levy will be charged to all undergraduate students, both full-time and part-time. It shall be charged in all academic sessions and duration. The fee will be mandatory.~~
- 6-7. The subsequent \$8.50 per credit levy and subsequent reduced levy may be increased annually by up to the greater of 5% or CPI pending approval from the BUSU Board of Directors.
- 7-8. The first year of fee collection will occur once the new Student Centre building is complete.
- 8-9. ~~If in the event that the costs associated with the New Student Centre building are less than what has been budgeted by BUSU, comes in under budget, the \$36.50 per credit levy will be adjusted accordingly. Any residual will be returned to a BUSU capital reserve, any additional monies collected during the Initial Levy Period shall be used first to replenish restricted funds, and secondly be added to BUSU's capital reserve fund.~~

9.10. The New Student Centre Levy will be used for all costs associated with the creation and maintenance of the new building which ~~can~~will include but ~~is~~shall not be limited to:

- a. Hiring an architecture firm
- b. Hiring a Project Management team
- c. Associated trades
- d. Utilities
- e. Deferred maintenance
- f. Future expansion

10.11. It is hereby acknowledged by the Members of BUSU that BUSU will be required to enter into binding contracts to complete the construction of the New Student Centre. As such, the approval of the Members of BUSU shall be irrevocable and during the Initial Levy Period, the levy may not be removed, revoked, or reduced by any means, including by referendum.