



## KSU Student Businesses Levy Proposal

To: King's Student Union Council of Students and our General Members

From: Sara MacCallum, King's Student Union President

Date: January 15th, 2024

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Dear fellow King's students,

The HMCS King's Wardroom and King's Galley Inc. are important pillars of the student community at King's. Every King's student and alum I know has a fond memory of at least one, whether it is their weekly shift as a Galley employee, studying (or not) at Happy Hour, a Dorm Room grilled cheese after a FYP lecture, or Queeraoke on a Friday at the Wardy.

These memories we all hold are the result of the hard work of student Wardroom and Galley managers and employees, Hospitality Coordinators, and Union Executives over many years. More than that, the culture they represent on King's campus is the result of the community-building that all students engage in within these spaces. The Galley was created twelve years ago out of student resistance to corporate greed on our campus, and a desire for a co-operative cafe that prioritized fair wages for student employment, affordability and food security. The Wardroom is a long-standing King's tradition that has evolved into a campus bar that prioritizes harm reduction and student safety as many of us navigate drinking for the first time, while hosting community events that students can enjoy whether or not they choose to drink.

These missions are not easy to support in the context of a small market like King's, not to mention a growing affordability crisis within and outside our community. Please see the Profit and Loss reports for each business below this letter for context on the businesses' finances over the last eight years.

As these numbers show, it has become clear to me and many others who are involved in operations and governance of the businesses that there has been a fundamental lack of

sustainability in the businesses' finances. The current Hospitality Coordinator, Ell Zagar, has worked tirelessly to attempt to find a way to balance the businesses, and their effort has significantly improved the state of the businesses. Nonetheless, there are limiting factors. King's small market has limited purchasing power, so the businesses struggle to break even. Because the businesses are small (and in the case of the Wardroom, private), several applications to external grants have been unsuccessful. External events, which can be used to generate profit to support the businesses' ordinary student-focused operations, are unpredictable and historically insufficient to balance out operational deficits.

Further, the structure of the businesses is realistically as services that the Union provides to students, and they have never been intended as for-profit entities. The Galley has an existing levy, which for the 2024-25 academic year, was \$15.16 per student to support the Galley's mandates. Students and alumni also came together in 2023 to fundraise and allocate funding to repay each business' CEBA loan based on a collective belief in the importance of the businesses' continued existence. The businesses' real goals are not to make money—they're to improve the King's student experience.

Therefore, I propose that the Union run a referendum to create a combined Student Businesses Levy, set at \$30 per student starting in 2025-26, and increasing annually based on CPI like the KSU's dues and existing Galley levy. This is, in my view, the clearest path toward financial sustainability and a long-term plan for the businesses' stability.

This levy would replace the current Galley levy of \$15.16 per student per year, and be offset by a decrease in other areas of the dues students pay to the KSU of \$14.84. That decrease is possible due to the restructuring of our non-student employee positions that was undertaken in summer 2024. This means that the total increase in Union dues for 2025-26 would not be more than the typical CPI percentage increase mandated by Bylaw 1.7 of the King's Students' Union.

Transparency is the key aspect of introducing a combined student businesses levy. In recent years, keeping the businesses afloat has required small loans from the King's Students' Union, and student contributions were instrumental in paying off the businesses' CEBA loans. These loans and contributions followed proper governance procedures as outlined in the KSU Bylaws, but short-term measures such as these are not sustainable and can be confusing. I believe that introducing a more significant levy creates a clear view of what students contribute to the businesses, while providing increased stability for the businesses. To maintain this transparency, reporting on the use of students' dues is required, and annual financial reports for each business (as well as the King's Student Union itself) will be made publicly available each year going forward.

The Wardroom and Galley are already student-owned and run, and are accountable to the King's Students' Union (and thereby to all King's students) through the Wardroom Advisory Committee, Galley Advisory Board and KSU Executive Committee. With the introduction of a combined student businesses levy, this would become critically important. If the below referendum passes, the Wardroom Advisory Committee and Galley Advisory Board would also become responsible for dividing the funding between the Wardroom and the Galley each year based on need. Students who have an interest in overseeing the finances and operations of the businesses are always welcome to put their names forward for the student seats on the Wardroom Advisory Committee and Galley Advisory Board. Any student may request information about the businesses or to discuss any aspect of the businesses with the Hospitality Coordinator, KSU President and/or KSU Financial Vice President.

I am putting this proposal forward as a referendum question because I think it is a reasonable plan for a solution that stabilizes the future of our student businesses. Ultimately, whether this levy is introduced is up to the students as a whole. It is the students that determine the priorities of the Union and the student businesses in our finances, operations, and everything that we do. Please attend the forum that will be held if a referendum is called, and make sure to vote in such a referendum to ensure that you are part of this decision.

The motion I propose to Council to set a referendum question is as follows:

Whereas the attached Student Businesses Levy Proposal outlines the HMCS King's Wardroom and King's Galley Inc.'s current lack of financial sustainability and their important position as services for King's students run by the Union;

BIRT the following referendum question appear on the ballot during the Winter KSU Elections to be posed to the members of the King's Students' Union:

“Whereas the HMCS King's Wardroom and the King's Galley Inc. are student-run businesses operated by the King's Students' Union, and;

Whereas these businesses provide student employment, community-building events, safe spaces for students to gather, and more, thereby forming a foundational part of the King's student community, and;

Whereas the businesses have shown over several years that they are unable to generate enough revenue to sustain themselves independently of additional funding in King's small market, and;

Whereas external grants and revenue from external events are other strategies that have been attempted but have not been sufficient to cover deficits in recent years, and;

Whereas due to the shutdown of South House and restructuring measures approved by KSU Council, the KSU Budget for 2025-26 can be adjusted to ensure that the increase in funding to the King's Galley Inc. and the HMCS Wardroom will not result in an increase in the KSU's overall dues beyond the yearly increase by CPI mandated in Bylaw 1.7 of the King's Students' Union, and;

Whereas a combined Student Businesses Levy would allow the Wardroom Advisory Committee and the Galley Advisory Board to divide the funds to each business based on need, which may change year over year, and;

Whereas these decisions would be reported to KSU Council and posted on the KSU website, as well as be available in the KSU Office by request, and;

Whereas the full Student Businesses Levy Proposal can be accessed at <https://ksu.ca/elections-2/> or by request in the KSU Office;

Do you support the creation of a combined Student Businesses Levy at \$30 per full-time or part-time student per academic year to replace the existing Galley Levy of \$15.16, and an associated reduction of other KSU dues by \$14.84?

Yes

No"

In solidarity,

Sara MacCallum  
KSU President  
president@ksu.ca

**\*Please note that the figures below for 2023-24 have not yet been reviewed by an accountant, though they are reflected in each business' bookkeeping\***

HMCS King's Wardroom Profit and Loss (2016-2024):

<b>HMCS King's Wardroom Profit and Loss September 2016 - August 2024</b>									
	Sep. 2016 - Aug. 2017	Sep. 2017 - Aug. 2018	Sep. 2018 - Aug. 2019	Sep. 2019 - Aug. 2020	Sep. 2020 - Aug. 2021	Sep. 2021 - Aug. 2022	Sep. 2022 - Aug. 2023	Sep. 2023 - Aug. 2024	Total
<b>INCOME</b>									
Billable Expense Income				\$ 36.14					\$ 36.14
Discounts			\$ 17.21	\$ 704.89	\$ 135.84	\$ 195.04			\$ 1,052.78
Discounts given					\$ 534.27	\$ 343.54	\$ 6.00		\$ 883.81
Grants & Subsidies				\$ 490.96	\$ 14,061.17	\$ 21,989.25	\$ 16,584.00		\$ 53,125.38
Refunds-Allowances		\$ -	\$ 298.10	\$ 9.02	\$ 336.83	\$ 1,574.28	\$ (254.22)		\$ 1,983.81
Sales	\$114,179.52	\$ 125,619.93	\$ 96,288.62	\$ 53,959.58	\$ 272.61	\$ 41,061.73	\$ 52,853.01	\$ 59,415.65	\$ 543,850.85
Sales of Product Income		\$ 5,259.14	\$ 61.54				\$ 320.00		\$ 5,640.68
Staff Tips		\$ 5,111.57	\$ 11,749.27	\$ 6,841.86		\$ 6,987.33	\$ 7,073.72	\$ 6,902.19	\$ 44,555.74
Uncategorized Income								\$ 125.00	\$ 125.00
<b>Total Income</b>	<b>\$114,179.52</b>	<b>\$ 135,990.64</b>	<b>\$ 108,099.43</b>	<b>\$ 60,952.69</b>	<b>\$ 1,477.48</b>	<b>\$ 63,116.77</b>	<b>\$ 84,348.84</b>	<b>\$ 82,868.62</b>	<b>\$ 651,033.99</b>
<b>COST OF GOODS SOLD</b>									
Total Cost of Goods Sold	\$ 89,831.90	\$ 121,745.10	\$ 107,713.34	\$ 61,089.82	\$ 7,319.88	\$ 63,296.03	\$ 77,811.22	\$ 59,619.14	\$ 588,426.43
<b>GROSS PROFIT</b>	<b>\$ 24,347.62</b>	<b>\$ 14,245.54</b>	<b>\$ 386.09</b>	<b>\$ (137.13)</b>	<b>\$ (5,842.40)</b>	<b>\$ (179.26)</b>	<b>\$ 6,537.62</b>	<b>\$ 23,249.48</b>	<b>\$ 62,607.56</b>
<b>EXPENSES</b>									
Total Expenses	\$ 17,113.33	\$ 11,671.60	\$ 10,904.00	\$ 7,720.54	\$ 7,329.98	\$ 10,032.47	\$ 10,325.15	\$ 12,890.33	\$ 87,987.40
<b>OTHER INCOME</b>									
Total Other Income	\$ 3,008.18	\$ 3,302.21	\$ 1,080.12	\$ 264.53	\$ 40.23	\$ 3,182.24	\$ 783.54	\$ 14,033.00	\$ 25,694.05
<b>OTHER EXPENSES</b>									
Total Other Expenses	\$ -	\$ 1,397.16	\$ -	\$ -	\$ -	\$ 152.20	\$ -	\$ (149.77)	\$ 1,399.59
<b>PROFIT</b>	<b>\$ 10,242.47</b>	<b>\$ 4,478.99</b>	<b>\$ (9,437.79)</b>	<b>\$ (7,593.14)</b>	<b>\$ (13,132.15)</b>	<b>\$ (7,181.69)</b>	<b>\$ (3,003.99)</b>	<b>\$ 24,541.92</b>	<b>\$ (1,085.38)</b>
Loan Repayment 2023							\$ 13,500.00	\$ 26,500.00	\$ 40,000.00
<b>PROFIT (after loan repayment 2023)</b>							<b>\$ (16,503.99)</b>	<b>\$ (1,958.08)</b>	<b>\$ (41,085.38)</b>

King's Galley Inc. Profit and Loss (2016-2024)

**King's Galley Inc. Profit and Loss**  
September 2016 - August 2024

	Sep. 2016 - Aug. 2017	Sep. 2017 - Aug. 2018	Sep. 2018 - Aug. 2019	Sep. 2019 - Aug. 2020	Sep. 2020 - Aug. 2021	Sep. 2021 - Aug. 2022	Sep. 2022 - Aug. 2023	Sep. 2023 - Aug. 2024	Total
<b>INCOME</b>									
Billable Expense Income			\$ 6.45	\$ 718.00					\$ 724.45
Discounts				\$ 25.00			\$ 2,500.00		\$ 2,525.00
Discounts given					\$ 391.00		\$ 180.42		\$ 571.42
Go Fund Me Donations								\$ 575.04	\$ 575.04
Grants & Subsidies				\$ 3,196.50	\$ 25,529.21	\$ 11,359.81		\$ 13,637.00	\$ 53,722.52
Levy	\$ 7,348.00	\$ 3,000.00	\$ 5,454.00	\$ 10,513.95	\$ 11,336.85	\$ 12,700.28	\$ 8,888.15	\$ 9,163.38	\$ 66,204.59
Refunds-Allowances	\$ 822.79	\$ 5,358.82	\$ 57.76	\$ 221.40	\$ 1,013.72	\$ 301.47	\$ 430.88	\$ -	\$ 8,206.84
Returned NSF Check							\$ 611.52		\$ 611.52
Sales	\$ 66,666.65	\$ 78,406.56	\$ 81,243.70	\$ 54,618.93	\$ 11,580.48	\$ 41,516.91	\$ 41,994.13	\$ 53,219.01	\$ 429,226.37
Sales of Product Income		\$ 2.25	\$ 1,132.89						\$ 1,135.14
Staff Tips		\$ 2,192.60	\$ 7,469.54	\$ 6,202.02	\$ 1,274.35	\$ 10,411.93	\$ 7,915.69	\$ 5,046.07	\$ 40,512.20
Uncategorized Income				\$ 371.74				\$ -	\$ 371.74
<b>Total Income</b>	<b>\$ 74,837.44</b>	<b>\$ 88,960.23</b>	<b>\$ 95,364.34</b>	<b>\$ 75,867.54</b>	<b>\$ 51,105.61</b>	<b>\$ 76,290.38</b>	<b>\$ 60,320.59</b>	<b>\$ 81,640.50</b>	<b>\$ 604,386.63</b>
<b>COST OF GOODS SOLD</b>									
Total Cost of Goods Sold	\$ 63,357.30	\$ 74,446.18	\$ 74,998.04	\$ 61,967.96	\$ 34,888.72	\$ 77,682.06	\$ 76,006.57	\$ 35,561.17	\$ 498,908.00
<b>GROSS PROFIT</b>	<b>\$ 11,480.14</b>	<b>\$ 14,514.05</b>	<b>\$ 20,366.30</b>	<b>\$ 13,899.58</b>	<b>\$ 16,216.89</b>	<b>\$ (1,391.68)</b>	<b>\$ (15,685.98)</b>	<b>\$ 46,079.33</b>	<b>\$ 105,478.63</b>
<b>EXPENSES</b>									
Total Expenses	\$ 16,398.99	\$ 12,437.19	\$ 14,390.94	\$ 14,407.08	\$ 15,540.29	\$ 11,242.69	\$ 10,018.54	\$ 10,087.16	\$ 104,522.88
<b>OTHER INCOME</b>									
Total Other Income	\$ -	\$ 11,315.44	\$ 194.22	\$ -	\$ 300.00	\$ 72.10	\$ 1,426.14	\$ -	\$ 13,307.90
<b>OTHER EXPENSES</b>									
Total Other Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36.43	\$ 36.43
<b>PROFIT</b>	<b>\$ (4,918.85)</b>	<b>\$ 13,392.30</b>	<b>\$ 6,169.58</b>	<b>\$ (507.50)</b>	<b>\$ 976.60</b>	<b>\$ (12,562.27)</b>	<b>\$ (24,278.38)</b>	<b>\$ 35,955.74</b>	<b>\$ 14,227.22</b>
Loan Repayment 2023								\$ 40,000.00	\$ 40,000.00
<b>PROFIT (after loan repayment 2023)</b>								<b>\$ (4,044.26)</b>	<b>\$ (25,772.78)</b>

Tuesday, Jan. 14, 2025 10:05:38 a.m. GMT-8 - Accrual Basis

## Student FAQ

What is this?

- A referendum to decide whether to create a Student Businesses Levy for the Wardroom and Galley at \$30 per student per year. This would replace the current Galley levy.

What is a levy?

- A specific part of the dues that students pay to the KSU, which is specifically used for a particular purpose or organization.

Why a Student Businesses Levy?

- To give the Wardroom and Galley increased financial stability, so they can keep being a great part of the King's student community.

How does it affect you?

- The total dues you pay to the KSU **will not** increase because of this referendum. Money from other budget lines that are no longer in use (ex: the South House levy) or where the need for funding has decreased will be reallocated to ensure that the total amount remains the same.