

To: Elizabeth O'Sullivan, *Speaker*
Jason Small, *Deputy Speaker*

From: Seneca Velling, *Chair of the Board*

Cc: Students' Council
Board of Directors

19 December 2018

Re: Bombshelter Pub Closure and Renovations

Hello Speaker O'Sullivan and Council,

Thank you for opening this channel of dialogue about your concerns regarding the Bombshelter Pub. I would like to give you all some information to address some questions and concerns raised about the closing of the Bomber and renovations in the new year. I appreciate your diligence and the concern for students you have shown, and believe it is important that you have more information regarding the planned renovations, and about the process that [Senior Management used to arrive at a decision for closure](#) on the 17th of December, 2018.

The Board made a difficult decision to authorize appropriations for a renovation of the Bomber. The VPOF made an even harder decision to close the Bomber earlier than planned, which he provided notice to the Board. The Bomber is an integral part of student life for many, and provides a space for students to come together on campus. In recent years, Bomber has been running at a loss; those losses have been covered by other commercial services, and by past savings. With this in mind, the Board sought a solution that would continue to give students a social/restaurant space on campus in a way that protects the long-term financial stability of the organization, concerns that we have heard echoed by Council in both this and in past years.

After looking at the Bomber's performance and bringing in outside consultation, it was clear to the Board that larger changes were necessary to reduce losses. Ideally, the Bomber would remain financially viable, and fit the needs of the changing demographics of Waterloo students. Outside consultation highlighted a number of suggestions for operational improvements, but also noted that Bomber needed significant work on its core identity, offerings, and value proposition to students. Many of the operational changes suggested by the consultant's report were implemented, but considering the continual losses, it was deemed not enough to turn around the situation.

The renovation process is estimated to take a year to a year and a half. This allows for additional student consultation regarding what they wish to see from a restaurant in their campus space, and time for necessary renovations and changes to be made to best improve the student experience for

the long term. This renovation will be funded out of savings, not the existing budget, and will not compromise any other service delivery to undergraduates.

There may be many students whom you serve as Councillors who will not like this decision. In addition, many of you have already brought some concerns forward. I know that the Board cares and foresaw that many current students may have mixed opinions or would not support this decision, but it is Board's responsibility to ensure long-term financial sustainability so that Bomber can be something enjoyed for students not just now, but for many years to come.

There are also some specific concerns that were raised by some Councillors which are important to address. The Board made an informed decision, after months of consideration. The timeline is as follows:

- July, 2018: The Board was provided a third-party consultant's report regarding the status of the finances and operations of the Bomber. This prompted discussion at the Board around the health of Bomber as a business and what recommendations from the consultants would be adopted.
- July to August, 2018: The Bomber closed temporarily at the end of the Spring term to implement short-term improvements recommended by the consultant. This period also provided for more in-depth staff training for the upcoming Fall 2018 term.
- August 1, 2018: VP Operations & Finance, in conjunction with the Director of Operations and Development, presented to the Board of Directors results of further professional consultation and internal assessment on Bomber operations, a summary of key financial performance indicators (including cost of goods and sales comparisons), a plan for staff training, and improved controls at the Bomber. In addition, a short-term strategy and budget development considerations were prepared for the Board for approval of the budget for the Bomber.
- October 15, 2018: The Board authorized the VP Operations & Finance to direct resources to renovate the Bombshelter Pub contingent upon consultation with Students' Council and other methods as deemed appropriate by the Executive Committee. Board also provided, to Council, options being considered at that time for comment, and there was some comment provided.
- October to November 2018: The VP Operations & Finance, under the direction of the Board, developed a three year business plan outlining a strategy for all commercial operations, which was presented to Directors.
- November 22, 2018: As a point of information, the VP Operations & Finance informed the Board that he would be moving forward with closure of the Bomber and subsequent changes, beginning Winter 2019.
- November to December, 2018: Senior Management planned how to proceed with the closure of Bomber, including the laying off a Full-time employee. The process under our HR use

agreement with the University required that the University [Staff Relations Committee](#) (SRC) review the layoff ([agenda and minutes of SRC](#)).

- While the SRC review process was ongoing, the Bomber management was not informed of the prolonged closure. Therefore, Bomber's management team continued to hold interviews for Bomber positions.
- December 17th: The full-time staff member was laid off, and Bomber employees were informed either at an in-person meeting or by email (for those who could not attend) that they would not be returning to employment in the Winter term.

I acknowledge that this timeline is not ideal, but it was important to be able to communicate with full-time staff before notifying part-time staff of this decision. It is expected that all staff be given the dignity of notification by their employer before the general membership be notified. The Board has taken many steps this year to try and make processes and decisions more transparent and accountable. On this decision, in particular, we included bringing a consultation to Students' Council, but much of the information and decisions made required confidentiality due to HR processes.

I realize that this letter is very dense and appreciate the time you have taken to read through the material. Please do not hesitate to contact myself at chair@feds.ca, or the Board as a whole at board@feds.ca, with any further comments, questions, or concerns.

On behalf of the Board of Directors, yours sincerely,



Seneca J. Velling

Chair of the Board of Directors