gateway

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Life's tough...

...and then you die.

U of A expects to go into debt

The University of Alberta could soon be in debt and will be forcedto reduce staff.

When the budget for the 1983-84 fiscal year was prepared last year "it was predicted we would have a three and one half million dollar surplus," says the University Vice President Finance, Lorne Leibch.

"The budget does provide for a 1.9 million defecit... we thought we would still have a bit of a cushion.

"But by the time we had our books off, we had only 1.9 million (in reserve) . . . we overestimated the surplus"

"If the budget is right on we will wipe out our surplus, but every indication is the deficit will be more than 1.9 million" says Leitch.

"Of course it is serious," says Leitch, "we can handle it in the short run, but not permanently. There will have to be budget cuts for next year."

The likely area for these budget cuts is staff reduction.

"Over 80 per cent of our budget is salaries and salaries related - pensions, health plans - both academic and non-academic," says Leitch.

A temporary freeze has already been initiated and ten permanent academic positions have been eliminated." Leitch says that they were going to try and realize most of the loss through attrition.

There are "a host of reasons" for overestimating the reserve he says. The main reason is an unexpectedly low staff turnover.

The University doesn't have to pay wages during the interval between when one person quits and a replacement is found.

"Because of economic conditions people weren't quitting," says Leitch,"usually over the year we can count on saving perhaps two million dollars."

The fact that people are not quitting will also make it difficult for the university to reduce staff through attrition.

Lay offs may be necessary but salary reductions are not being considered

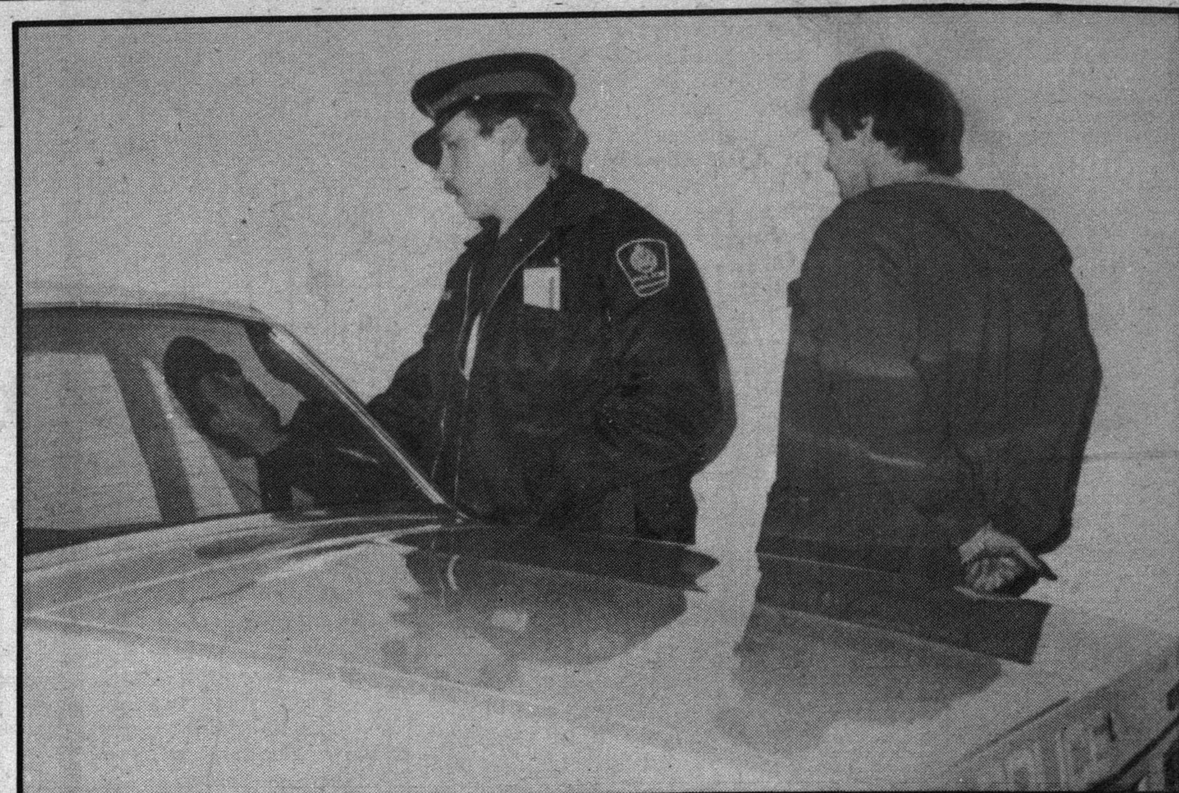
"Reducing salaries would be very difficult," says Leitch. "The university deals with the Academic Staff Association and the Non-Academic Staff Association. We don't make unilateral decisions."

Another reason for the depletion of the reserve is low interest rates. "The university depends on interest earnings on short term money,"Leitch says. "We knew interest rates would come down but not so fast."

This may be the first time the university has everbeen in debt.

"The university has been around for seventy-five years," says Leitch. "It mayhavehappened in the early years, but not in modern times."

Total expenditures of the University this year will be approximately 220 million dollars.



Police handcuff the gun-wielding HUB tenant.

Man points rifle in HUB

by Suzette C. Chan

Police took one man into custody last night after he allegedly pointed a rifle from his apartment window in HUB Mall.

A witness reported that a man pointed a rifle out of his second floor apartment at the north end of the Mall.

Police arrived on the scene at about 6 PM and immediately sealed off the 9113 and 9111 entrances. They were to contact the suspect by phone before they entered the apartment.

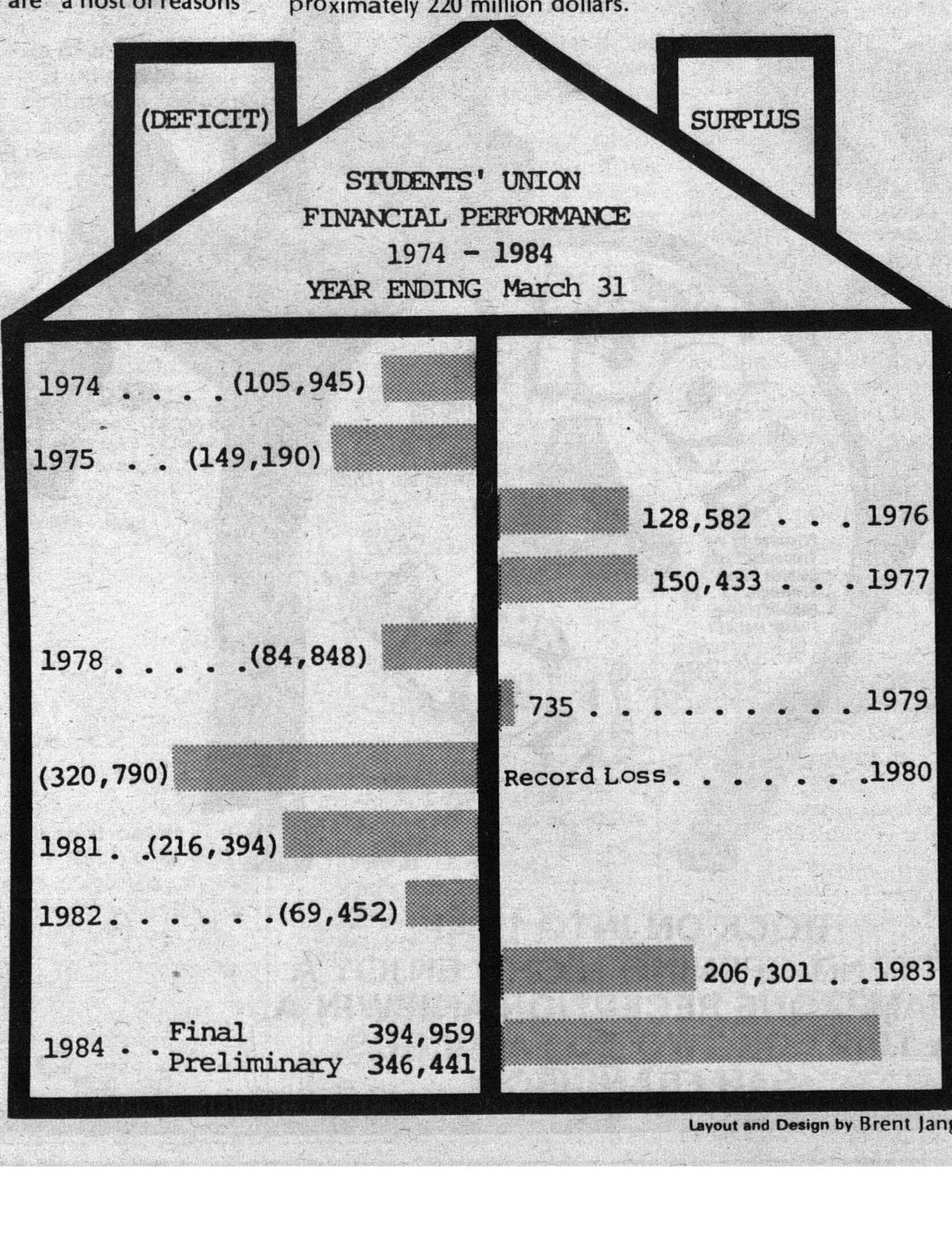
At 6:35 PM several officers stationed themselves in the 9111 stairwell. They evacuated at least one resident, but did not cordon off any part of the mall.

Shortly afterward, police handcuffed a dark-haired man wearing a blue T-shirt and jeans. They had escorted him into a waiting squad car by 7 PM.

Police say the incident was not serious: "No one was hurt and no shots were fired."

Campus Security had no comment.

SU projects record '84 surplus



Layout and Design by Brent Jang

by Ken Lenz

The Students' Union will finally be out of the red at the end of this fiscal year according to the recently drafted budget.

Past financial mismanagement put the SU in danger of bankruptcy two years ago. Service cuts and severe financial restraint have retained the financial solvency of the organization, according to VP Finance Greg McLean.

The Art Gallery and the music store were among the casualties.

The budget, drafted by Business Manager Tom Wright, Finance Manager Ryan Beebe, and Mclean shows our SU to be "one of the most stable in the country," according to SU President Robert Greenhill.

Though the SU has a projected $395,000 surplus at the end of March, Mclean says, "it is likely the SU will go about $50,00 in debt over the summer," until next year's fee revenue is received.

McLean says the loose rein on services and a general lack of control were the causes of the problem in the past. He feels that now, the SU finally has a handle on the situation.

"Our expenses are clearly justified now, we aren't just giving money away," he says.

Greenhill agrees with McLean and adds, "what we have to do now is plan three or five years down the road so future executives won't be faced with the same constraints."

Apart from the restraint measures the $140,000 the SU received from the rental of SUB to Universiade contributed greatly to the financial solvency of the organization.

RATT and Dewey's were the two services which made the most money - over $130,000.

But the record of the SU this year is not flawless. Student Orientation Services has the highest overruns on record - largely due to the financial ineptness of former SORSE director Deb Nichols.

SORSE had originally budgeted to lose under $3589 but now it is estimated that they will lose over $35,000.

"There was a lack of communication between the administration offices and SORSE," says President Greenhill.

McLean put the problem more succinctly. "Talking to Deb (Nichols) was like talking to a brick wall," he says.

Though the present SORSE director Nikiwe Mbolekwa wasn't at the U of A last year she does say, "I don't anticipate coming up with a loss like that again."

"In the future the directors of all SU areas will meet with both the VP Internal and the VP Finance," says Greenhill. He feels this will help alleviate future problems before they get out of hand.

McLean also thinks the Copy Centre, which costs students $5000 per year, needs re-evaluation. He says that it is not working well at present and many of the organizations that have used the service have complained.

The SU intends to review all its services in the new year.