

THE GOVERNING COUNCIL
REPORT NUMBER 94 OF
THE PLANNING AND BUDGET COMMITTEE

February 3, 2004

To the Academic Board,
University of Toronto.

Your Committee reports that it met on Tuesday, February 3, 2004, 5:00 p.m. in the Council Chamber, Simcoe Hall, with the following members present

Professor Avrum Gotlieb (in the Chair)
Professor Edith Hillan, Vice-Chair
Professor Vivek Goel, Acting Vice-President and Provost
Ms. Catherine Riggall, Acting Vice-President, Business Affairs
Professor Safwat Zaky, Vice-Provost, Planning and Budget
Mr. Sachin K. Aggarwal
Professor Philip H. Byer
Professor Susan Horton
Professor Ian McDonald
Professor David Mock
Professor Ian Orchard
Professor Susan Pfeiffer

Mr. Timothy Reid
Professor Pekka Sinervo

Non-voting Assessors:

Mr. John Bisanti, Chief Capital Projects Officer
Ms. Sheila Brown, Controller and Director of Financial Services
Dr. John Challis, Vice-President, Research and Associate Provost
Professor Ron Venter, Vice-Provost, Space and Facilities Planning

Secretariat:

Mr. Andrew Drummond
Mrs. Beverley Stefureak, Secretary

Regrets:

Professor Rorke Bryan
Professor Sujit Choudhry
Mr. Brian Davis
Professor Miriam Diamond

Ms. Shirley Hoy
Professor J. J. Berry Smith
Mr. Nick Turk-Browne

In Attendance:

Mr. Paul Donoghue, Chief Administrative Officer, University of Toronto at Mississauga (UTM)
Mr. Chris McGrath, Director of Residence, UTM
Ms. Carole Moore, University Librarian

ITEMS 4 and 5 ARE RECOMMENDED TO THE ACADEMIC BOARD FOR APPROVAL.

ALL OTHER ITEMS ARE REPORTED TO THE ACADEMIC BOARD FOR INFORMATION.

The Chair and the Committee welcomed Professor Goel to his first meeting as Senior Assessor to the Planning and Budget Committee.

1. Approval of Report Number 93 of December 9, 2003

The report of the last meeting (Number 93 of December 9, 2003) was approved.

2. Business Arising from the Report of the last Meeting

A member recalled the intent, reported at the meeting of December 9, 2003, that a committee would be established by the Provost to draft a revised Statement of Institutional Purpose to be ready for governance in the spring. Could he have an update on this timeline? Professor Goel reported that the President was establishing a committee and that the timelines for the revised Statement to come through governance should remain the same.

3. Senior Assessor's Report

Professor Goel reported that *Stepping UP* would be presented to Governing Council for approval on February 11. Timelines for divisional and departmental planning would be maintained and the Committee could expect to see recommendations coming out of that process by next year.

Professor Goel confirmed that the new six-year Long-Range Budget Guidelines and the Budget Report would be presented to this Committee in March, the former at its March 2 meeting and the latter on March 16. The enrolment plan for next year would be coming through in the same cycle.

On the capital front, the University had reached its defined borrowing capacity and would need to think carefully about the implications of each new project that came forward. His office was continuing to work with the Office of Business Affairs to look at options and determine what, if any, changes could be made to the Capital Plan. Changes to the defined borrowing capacity may be proposed to the Business Board.

A member expressed concerns about where the debate on capital priorities would take place. Recommendations came to the Committee one item at a time and, in his view, it was sometimes difficult to appreciate relative priority. Professor Goel agreed and noted that the Capital Plan, designed and continuously updated by Professor Venter and Mr. Bisanti, was provided at each meeting to provide the context within which members were asked to approve an individual project. A copy of the updated Capital Plan was on the table today as background to items 4 and 5. Hopefully, that document informed the decision that members were asked to make. If members thought it would be useful, an information session could be scheduled to discuss the Capital Plan process, its components and the tradeoffs that were necessary.

A member suggested it might be useful to have a discussion with the administration on long-term priorities. Given that the responsibility of this Committee was to consider planning and budget priorities, dialogue would be helpful prior to the point where the project was locked in.

Professor Goel agreed that discussion on priorities was important. Establishing the living Capital Plan had been a good step. Now discussions were underway about how divisional and other vice-presidential priorities intersected with this Plan. Priorities linked to external funding needed to emerge from the Plan rather than appear to be driving it.

4. Capital Project: Downsview Library Storage Facility – Project Planning Report

Professor Venter tabled the Capital Plan, January 2004 and reviewed it briefly. Page 1 summarized the Plan; changes from the past report were highlighted in the shaded box at the bottom. Every project had been carefully scrutinized and was determined to have academic priority.

Professor Venter reviewed his memorandum of January 20, 2004 (memorandum and Executive Summary attached hereto as Appendix “A”) outlining the case for moving the Library Storage project to the A priority approved listing. Need for this facility was critical to maintaining the value of literary assets. About 1 million volumes were awaiting appropriate storage with convenient access to accommodate user needs. Other options for this type of storage facilities had been considered and rejected, either because of higher costs or the need for municipal approvals which could delay completion.

Funding for this project was included within the current borrowing capacity. Professor Goel explained that, when the Economics Building project had been approved some time ago, the cost of phase 2 (approximately \$8 million) had been included in the projected borrowing. However, proceeding with Phase 2, from the outset, had been dependent on fund-raising for its full cost. Accordingly, the \$8 million placeholder within the borrowing capacity had been removed and replaced with \$6 million for this urgently needed facility. Dean Sinervo agreed, adding that fund-raising within the Faculty had slowed somewhat because of the loss of a key advancement individual. He hoped fund-raising would be fully underway by July and that external funding for Phase 2 would be identified shortly thereafter.

In response to a question about the longer term, Ms. Moore replied that the project was designed so that more modules could be added as needed. She was confident that the model, known as the Harvard model, would work well at the University of Toronto. Used by many research universities, success of the model had been established and the costs were known.

There was some discussion of the implications this had for future consideration, if any, of selling the Downsview land. Professor Venter indicated that any thought of sale was unlikely, given that an extension of the engineering facilities currently located there was underway with grant support from the Canada Foundation for Innovation. Furthermore, the University of Toronto Press and its storage facilities were located at Downsview, and, there were limitations on what that land could be used for should some of it indeed be sold. In his view, a storage facility such as this was an appropriate use for the land now and long into the future.

On motion duly moved and seconded,

YOUR COMMITTEE RECOMMENDS

1. THAT the Project Planning Report for the Library Storage Facility at Downsview be approved in principle.
2. THAT the proposed Library Storage Facility be located on the Downsview campus.

4. Capital Project: Downsview Library Storage Facility – Project Planning Report (cont'd)

3. THAT the project scope identified in the Project Planning Report, to establish a 2700 gross square meter storage facility to house 2 million volumes with the appropriate shipping, receiving and processing areas to service the facility be approved at a cost of \$6,000,000 with the funding source as follows:
 - (i) A mortgage in the amount of \$6,000,000 to be amortized over a period of 20 - 40 years and to be repaid from the University of Toronto operating budget.

5. Capital Project: University of Toronto at Mississauga, Phase 8 Residence – Project Planning Report, Initial Design Work

The Chair noted that the *Policy on Capital Planning and Capital Projects* allowed the Business Board to approve design fees prior to approval in principle of the project. In this case, the administration was asking for the approval in principle before the Business Board approved the \$300,000 for design. Members should note that this recommendation to approve in principle was subject to the later consideration by the Planning and Budget Committee of the sources of funding when those were known.

Professor Venter reviewed his memorandum of January 20, 2004 (memorandum and Executive Summary attached hereto as Appendix “B”), explaining that the recommendation was coming forward at this time to enable UTM to proceed with some of the early design work to maintain the possibility for the residence to open in August 2006. Prior to full approval it would be necessary to identify all sources of funding for the project.

A member expressed concern with item 3 of the motion, in particular, about the role of the Committee in approving the cost of the proposed project before the sources of funding could be identified. Several members responded, indicating that the role of the Committee was to approve the project report in principle, including the site, scope, estimated cost and sources of funding. Given that the latter were not known, this approval was subject to the project returning for further approval. Item 3 identified the scope and the estimated cost both of which defined the limits of design. Professor Orchard added that, in approving this motion as stated, the only risk was to UTM. UTM was prepared to risk \$300,000 for design fees and was committed to a cost of \$55,000 per bed as well as a total project cost of \$26.215 million. UTM hoped to secure the funding and, if so, as the motion required, this project would return through the Planning and Budget Committee for final approval before construction began.

A member asked if the dining hall was to be a separate project or was considered part of the scope of what was outlined for this approval. Mr. Donoghue responded, confirming that the dining facility was part of the overall project and that it would allow UTM to respond to the demand for a meal plan which was not currently in place on that campus.

On motion duly moved and seconded,

5. Capital Project: University of Toronto at Mississauga, Phase 8 Residence – Project Planning Report, Initial Design Work (cont'd)

YOUR COMMITTEE RECOMMENDS

Subject to the project returning to Planning and Budget Committee for consideration of further funding sources when those can be identified,

1. THAT the Project Planning Report for the Phase 8 Residence at the University of Toronto at Mississauga [UTM] be approved in principle;
2. THAT the proposed residence be located on the UTM Campus on the site(s) identified for residence accommodation within the UTM Master Campus Plan;
3. THAT the project scope identified in the Project Planning Report, to establish a 418-bed student residence totaling approximately 11,000 gross square meters at an estimated cost of \$26.215 million, be approved;
4. THAT funding in the amount of \$300,000 to initiate the design of the Phase 8 Residence at UTM be from the UTM Operating Budget.

6. Enrolment Report, 2003-04

Professor Zaky presented the Enrolment Report, 2003-04, noting that the November 1, 2003 count was confirmed and that the count for February 1, 2004 was an estimate. Overall, the University was above its enrolment target by 962, primarily in the undergraduate area. He reminded members that funding was based on the Enrolment Target Agreement (ETA) made last year in response to the provincial government's strategy for dealing with the double cohort. The University had planned well and was receiving funding for all the students it had accepted.

A member noted that the percentage increase in applications to the University of Toronto was less than to some other institutions and wondered if this would have a negative impact on funding. Professor Zaky thought it would not. Final numbers are not yet available. Data to date indicated that, while there were fewer applications directly out of the Ontario high school system, there were a great many more than expected from other sources. He did not expect any difficulty in reaching the target.

7. Academic Program Changes:**7.1 School of Graduate Studies: Proposal for a Collaborative Program in Jewish Studies**

There were no central budgetary implications to the establishment of this program and this was for information. There were no questions.

7.2 University of Toronto at Scarborough (UTSC) – Major (Joint) Program in Health Informatics

Last January the Committee had been informed of the establishment of a major (joint) program in Health Informatics at UTSC. Professor Zaky indicated that UTSC had been unable to recruit faculty to deliver the program and it was, therefore, being dropped. There were no central budgetary implications.

8. Capital Project: University of Toronto at Mississauga, Collegeway Access, Terms of Reference and Membership of Project Planning Committee

This was for the Committee's information. There were no questions.

9. Other Business

There was no other business.

The Chair informed members that Mr. Andrew Drummond would be assuming the responsibilities of Secretary in March following the retirement of Mrs. Stefureak. Professor Gotlieb proceeded to graciously thank Mrs. Stefureak for her assistance to the Chair and her work with the Committee over the past three years. Members of the Committee expressed their appreciation with applause.

10. Date of the Next Meeting; Tuesday, March 2, 2004

The Chair reminded members that the next regular meeting was scheduled for Tuesday, March 2, 2004, commencing at 5 p.m. in the Council Chamber.

The meeting adjourned at 6:30 p.m.

Secretary

Chair

February 13, 2004