



University of Toronto

OFFICE OF THE VICE PRESIDENT BUSINESS AFFAIRS

TO: Business Board

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DATE: April 22, 2005 for June 23, 2005

AGENDA ITEM: 5(c)

ITEM IDENTIFICATION:

Annual report on Deferred Maintenance for the year 2004

JURISDICTIONAL INFORMATION:

The Business Board is responsible for University owned or leased property, including physical plant and equipment and any general policies governing the maintenance of buildings and grounds.

PREVIOUS ACTION TAKEN:

The last report was presented for review at the meeting of November 5, 2003. This report was originally scheduled for November 2004, but was delayed to allow us to get onto a schedule of calendar year reporting that fits with the building assessment schedule. It was then further delayed to be able to include news about new funding to help solve the problems.

HIGHLIGHTS:

Progress is being made in dealing with deferred maintenance issues on a planned basis, although we continue to be short of funds needed to significantly improve the situation. The additional funds budgeted for this work have enabled us to implement the asbestos control program, and begin a program of significant repairs and renovations.

The improvement in the FCI rating is more a function of an improvement in the data in the model than a real indicator of progress. More of the buildings have had engineering assessments completed with the result that the situation is not as bad as the model predicted on a theoretical basis. We and the other Ontario universities are beginning to

see real benefits from the use of the tool – in a recent meeting, the Minister of Public Infrastructure Renewal commented that the data from the model enabled them to have a good sense of the size of the problem and the funds required for a solution. The Universities are in a better position than most other public entities who have similar problems to make the case for funding.

As we use the tool for planning as well as tracking, we are able to maximize the use of funds, by combining funds for deferred maintenance with funds for other capital projects to do work on a more logical basis and minimize the risk of rework.

FINANCIAL AND/OR PLANNING IMPLICATIONS:

The problem of deferred maintenance will be with us for a long time, but we are pleased to report progress is being made. The budget increases, combined with FRP funding from the province, and incremental government funding allow better planning and use of funds. The province made an additional \$250 million available to the post secondary sector in late March, although the official announcement did not take place until the release of the budget in May. The University of Toronto received \$26 million of the total allocated to the Ontario universities. The funds have been directed to deferred maintenance projects undertaken in 2004/05 as well as to additional projects that will be initiated in the next few months. Defined allocations to the Federated Colleges, consistent with normal practice, were made to help address their needs. Special allocations to UTM and UTSC in the amount of \$3 million each have been made from this fund to address the unique deferred maintenance needs at both campuses. All expenditures will be reported to the Province.

RECOMMENDATION:

Report is for information only.