



TO: Business Board

SPONSOR: Cathy Riggall, Assistant Vice President
CONTACT INFO: 416-978-7473 catherine.riggall@utoronto.ca

DATE: February 18, 2003 for March 3, 2003

AGENDA ITEM: #5

ITEM IDENTIFICATION:

Report on Deferred Maintenance – “Crumbling Foundations” Report for Information.

JURISDICTIONAL INFORMATION:

The Board receives an annual report on deferred maintenance and facilities renewal, and approves any general policies governing the maintenance of buildings and grounds.
Terms of reference item 5.3(b).

PREVIOUS ACTION TAKEN:

The last report was provided to the Business Board in February 2001.

HIGHLIGHTS:

The University has \$2 billion invested in buildings and grounds at the St. George campus. The value of this investment is being eroded annually as a result of the continuing delays in investing in the physical infrastructure. The total dollar amount of deferred maintenance has now reached \$276 million, versus the \$180 million reported in February 2001. To put this amount in context, this means that U of T has a Facilities Condition Index rating of 13.5, compared to the average of Canadian universities of 11.3 and US universities of 7.0

For the past ten years, the university has operated on a “run to failure” basis, which means that repairs are made when something breaks, rather than planning maintenance and replacement on a scheduled basis. Maintenance and cleaning budgets have been cut to the point where we can no longer guarantee that even basic repairs can be completed on a timely basis. Priority must be and is given to work that has health and safety or environmental implications.

The report makes five major recommendations, two of which require additional funding.

These requests were submitted as part of this year's budget submission. The request for an increase of \$8 million in operating funds was deferred to next year. The Provost's office has advised that no additional funds are available until the next long term planning cycle begins. The request for additional capital funds (beyond the government FRP funds) has not been resolved.

Two of the remaining recommendations deal with process and priority setting – establishing a tactical program to deal with hazardous materials and critical services; establishing a formal Facilities Renewal Program to ensure that projects are assessed and priorities set on a consistent basis. Discussions will be initiated to see how this can be implemented.

The final recommendation is that we investigate ways to leverage the investment in the central utilities infrastructure. This will be a priority for 2003/04.

FINANCIAL AND/OR PLANNING IMPLICATIONS

Asbestos remediation work ordered by the Ministry of Labour will be funded from the FRP funds. U of T St George receives approximately \$4.2 million: \$1.7 million will be allocated from the 2003 grant for asbestos work. Other deferred maintenance items will have lower priority.

The primary risk facing the University of Toronto is that we will experience more frequent failures in critical building systems, for which we will not have budgeted sufficient funds for repair. The result will be over budget spending.

RECOMMENDATION:

Not applicable. The report is for information only.