UNIVERSITY OF TORONTO

OFFICE OF THE VICE-PRESIDENT, UNIVERSITY OPERATIONS

TO: Business Board

SPONSOR: Ron Swail, Assistant Vice-President, Facilities and Services

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DATE: January 14, 2013 for January 28, 2013

AGENDA ITEM: 1e

ITEM IDENTIFICATION:

Annual report on Deferred Maintenance for the year 2012

JURISDICTIONAL INFORMATION:

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

PREVIOUS ACTION TAKEN:

The 2011 Deferred Maintenance report was presented for information at the meeting of January 30, 2012.

HIGHLIGHTS:

The University's total deferred maintenance liability on academic and administrative buildings presently stands at $484M, up substantially from last year's figure of $422M. The increase is due to the more rigorous re-audit process which was introduced several years ago. The entire UTM portfolio of buildings was re-audited in 2012 resulting in a significant increase in identified deferred maintenance items moving from just over $8M last year to over $34M today. As with previous reports, the vast majority of deficiencies are still focused at St. George with $411M of the total $484M liability.

Our combined facility condition index (FCI) is now 14.3%, up by 1.3% from the previous year. Our institutional FCI is higher than the COU average across the sector of 11%. Ten percent is the lower threshold for buildings in "poor" condition. All three campuses have seen their respective FCI's increase markedly as the result of the more comprehensive audit process noted previously. UTSC, with the re-audit of all of their nine buildings in 2010, has an FCI that now stands at 13.4%. St. George's FCI in 2012 increased to 15.1%. With the entire portfolio re-audit in 2012, the UTM FCI increased from 2.3% last year to 8.8% this year.

While the volume of deferred maintenance items has increased, it is important to note that the priority one items, repairs which should be undertaken within a year, has steadily trended down over the years. The funds that have been provided to address deferred maintenance have been utilized to address the most pressing deficiencies. In fact, the priority one deficiencies at St. George, which has 84% of the priority one deficiencies, have been reduced to $18M from a high of over $75M several years ago. The St. George portfolio of buildings is now in better condition than it was several years ago due to substantial internal funding being focused on the most pressing repairs and the benefit of capital projects retrofitting buildings in poor condition such as the Mining building renovation and Global Affairs renovation to 315 Bloor Street West.

FINANCIAL AND/OR PLANNING IMPLICATIONS:

We are receiving significant internal funding which has been increasing steadily each year. We received $12.3M in internal funding in 2012 to address this issue at St. George campus. While the University receives some external funding from the Province, this funding has been reduced from $4.7M in 2010 to $3.2M in 2012. This liability will be with us for a very long time into the future. However, the challenge of deferred maintenance is being managed. With stable and significant funding, we will be able to continue to address this issue and minimize, although not eliminate, the chance of an unforeseen problem having major consequences to the University's mission and operating budget.

RECOMMENDATION:

Report is for information.