



University of Toronto

OFFICE OF PLANNING AND BUDGET

TO: Planning and Budget Committee

SPONSOR: Safwat Zaky, Vice-Provost Planning & Budget
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DATE: February 13, 2004 for meeting on March 2, 2004

AGENDA ITEM: #4

ITEM IDENTIFICATION:

- Contractual Obligations and Policy Commitments for 2004-05.

JURISDICTIONAL INFORMATION:

Excerpt from the terms of reference for the Planning and Budget Committee:

4.3.2. The Committee considers for inclusion in the proposed Operating Budget the major components of the Budget, such as changes to ... Contractual Obligations and Policy Commitments.

OTHER ACTION TAKEN:

Expenditures approved by the Budget Planning Secretariat of the University.

HIGHLIGHTS:

The COPC list includes expenditure that must be honoured, and hence need to be protected from expense reduction. The attached report gives a complete list of these items, showing the recommended changes from 2003-04 and the projected allocations for 2004-05. Projected expenses have increase by \$9.6M, caused by rising costs of utilities, book acquisitions and the cost of servicing the University's debt.

FINANCIAL AND/OR PLANNING IMPLICATIONS:

The COPC expenditures will form part of the 2004-05 Operating Budget of the University to be brought to the Planning and Budget Committee for approval in the March 16 meeting.

RECOMMENDATION:

The Planning and Budget Committee recommends to the Academic Board:

THAT the budgetary allocations under the COPC category of the 2004-05 Operating Budget be approved as detailed in the attached report.

MEMORANDUM

To: Planning and Budget Committee
From: Safwat Zaky
Re: Contractual Obligation and Policy Commitments Budget for 2004-5
Date: February 10, 2004

The Budget Model organizes projected expenses into several generic categories, each representing a different degree of annual budgetary discretion. One of these is the Contractual Obligations and Policy Commitment (COPC) items. These are expenses that must be honoured, and hence are protected from budget cuts. They include:

- Payments resulting from contractual obligations to other institutions, such as for the joint programs with Sheridan College or George Brown College.
- Inevitable expenses, such as the cost of utilities or legal fees.
- Expenditures that are protected by University Policy to maintain academic quality, such as the book acquisition budget for the library.

The COPC list for 2004-05 is presented in two attached tables, as follows:

Table 1: A brief explanation for each COPC item and the reasons for budget increase/decrease, if any. The last column in this table indicates whether any significant changes in budget are expected over the remainder of the planning period (2005 to 2010);

Table 2: The 2004-05 budget allocation for each of the COPC budget categories. The last page of this report gives the contingency budget.

The costs of various COPC items include a degree of uncertainty resulting from changes in the value of the Canadian dollar, the cost of electricity, and so on. The recommended budget for each item is based on the middle of the range of projected costs. The uncertainty is accounted for in a contingency allocation. The contingency budget is calculated as 75% of the sum of the contingencies estimated for various items. Historically, the 75% factor has been found to be a realistic measure of the variability.

The main contributors are utilities costs (\$1.7million), the library book fund (\$1.4 million) and the legal expense budget (\$700,000). The contingency budget, after applying the 75% factor, is \$3 million — a decrease of \$900,000 from last year. The items included in the contingency budget are identified by an asterisk in Table 2.

Overall the increase in the base budget for the COPC list is \$9.6 million. The main sources for this increase are the additional funds needed to service the central debt (\$2.7million), the utility costs (\$2.5) million and funding for the library system acquisitions (\$920,000). A correction to the 2003-4 charges for new space is also included.

The OTO portion of the 2004-05 budget is \$6.7 million higher than in 2003-04. Of this amount, \$5.8 million is funded from Research Overhead and is offset by related income to the University. In addition, \$385,000 are needed to cover the shortfall related to the

Block Grant arrangements with the three Federated Colleges (largely to fund increased utility costs) and another \$201,000 is associated with the Administrators on Leave account.

TABLE 1
Contractual Obligations Policy Commitments -
2004 TO 2010.

		<u>Item</u>	<u>Explanation</u>	<u>2004-05 year</u>	<u>2005-06 through 2009-10</u>
1		<u>Contractual Obligations to Affiliated Institutions.</u>			
		Federated Colleges block grant (incl PIMS)	Under the Financial Arrangements provision of the Memorandum of Understanding, the University annually makes a block grant to St. Michael's College, Trinity College and Victoria College. Total grant includes funding for Library Operations, Registrarial and Academic support, Maintenance &	Grant increase of \$385,245 relates to increased activity in book transactions for Victoria college, and higher per NASM charges for operating cost and Utilities.	
		TST Theology Grant	Represents a flow through of graduate enrolment related Provincial grant revenue to the Toronto School of Theology	For 2004-05, the grant formula produced an amount of \$1,906,262 which is a 2.5% increase over last year's payment of \$1,860,970. The 04-05 calculation takes into consideration the unfunded graduate BIU's. TST's share was calculated based on incremental increase year over year in LRBG. (Grad. BIU count divided by total funded Grad. BIU)	A zero percent increase in provincial grant payment for 2004-5 and 2005-06 is assumed. Thereafter, a provincial grant increase assumption of 2% annually sees the payment increase.
		Transfer Payments re Joint Programs with Colleges	Represents various agreements with local colleges to provide for courses under joint study.	The increase is due to the growth in enrolment in joint programs.	The budget is \$6,657,500, \$9,555,564, \$10,584,893, \$10,915,643, \$11,119,072 (2005-2010) respectively.
2		<u>Other Contractual Obligations</u>			
		Lease Cost of Off-Campus Space	Provides central funding to cover costs related to external lease agreements for the space occupied by various departments.	As some leases have been terminated, the forecast sees a drop to \$929,937 versus the value for 2003-4 of \$987,936.	For the remaining years of the forecast, the forecast will depend on whether or not a concerted effort is made to move departments away from the use of off-campus space and take greater advantage of existing and new space. It was decided that the Provost should be informed of the need for departments to utilize campus space to a greater extent and, perhaps, have Ron Venter take the lead in moving towards this goal.
3		<u>Institutional Statutory Commitments</u>			
		Membership Fees	Provides central funding for the University's membership in the COU, AUCC, AAU, and selected international associations.	Rates are assumed to rise by about 50% of the Consumer Price Index (CPI).	Increase at 50% of the CPI rate change is forecast.
		Negotiating Expense - UTFA, USWA, CUPE	Central funding for the cost of negotiating new service agreements. Common expenditures include pension consulting, administrative costs, research, and special project costs.	UTFA - savings of \$30k due to underspending. USWA - OTO funding of \$25k to cover the cost of negotiations, \$70k for Job Evaluation project, with a \$30k contingency provision. CUPE - OTO funding of \$3k.	Base Budgets were flat lined during the long range budget period, OTO funding in 2005-06 of \$113k for USWA negotiations to cover the cost for next round of negotiations.

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Contractual Obligations Policy Commitments -
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		<u>Item</u>	<u>Explanation</u>	<u>2004-05 year</u>	<u>2005-06 through 2009-10</u>
		Job Accommodation Fund/ Program	Disabled access funding	The current budget of \$25,000 appears appropriate. The account has a \$70,000 carryforward balance, which is needed to cover special equipment needs of the employees.	BPS approved the continuation of the \$25,000 base budget throughout the long range budget period.
		Legal Fees	Central funding for the cost of legal services	Recommended to keep the base budget at the current level of \$2,792,000, with a contingency of \$700,000 for the 2004-05 year.	Flat lined during the long range budget period.
		Pension Consulting	Central funding for the cost of pension consulting	No significant change in funding requirement for this item.	Flat lined during the long range budget period.
		Radioactive & Chemical Waste Disposal	Relates to the waste generated by the research and teaching activities of academic departments, and the announced and anticipated rates that will be charged by waste disposal contractors.	Some increases in expense are expected in order to address laboratory decommissioning projects and sealed-source radioactive waste disposal needs. Consequently, a contingency provisions of \$55,000 has been allocated.	Flat-lined for outer years. To be reviewed every year based on new information available.
		Environmental Health & Safety Fund	To cover expenses related to various projects identified as necessary for compliance under the Occupational Health & Safety Act, e.g. Asbestos Inspections, Sampling/Analysis for concerns related to air quality, and potential exposure to hazardous agents.	There is need for continued monitoring of asbestos presence in work/access areas. A contingency of \$15,000 was approved as a reserve for the 04/05 fiscal year should inspections and characterizations require more funding than currently allocated. In addition a further contingency of \$30,000 is reserved for the 04/05 fiscal year to fund any required additional sampling or external consultation costs.	Flat-lined for outer years. To be reviewed every year based on new information available.
4		<u>Utilities</u>			
		Utilities: St George	Provides for anticipated rate and volume increases for electricity, water, natural gas, oil and steam.	Current year increase of \$1.8m is to cover the cost for increased rates for Gas & Hydro. There is a contingency provision of further \$1.7m to cover a required correction between the estimates used for prior budgets versus actual volumes incurred. This adjustment largely relates to electricity cost forecasting over the past three years.	The forecasted values are net of recovery from added new space. For 2005-06 to 2009-10 the incremental increases are \$284,018, \$1,210,598, \$1,382,702, \$1,478,218, and \$606,588.
		Utilities : Scarborough	Provides for anticipated rate and volume increases for electricity, water, natural gas, oil and steam.	Small increase of \$5,000 is a result of savings in their current budget to cover the volume and rate increases.	For 2005-06 there is a incremental increase of \$64,000, and 2% each year thereafter.
		Utilities : Erindale	Provides for anticipated rate and volume increases for electricity, water, natural gas, oil and steam.	Approved increase of \$667,000 is to cover the cost for their added space, and volume and rate increases.	Forecast includes an incremental increase of 2% for each year for the planning period.
5		<u>Additional Cost of New Space</u>			

TABLE 1
Contractual Obligations Policy Commitments -
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		<u>Item</u>	<u>Explanation</u>	<u>2004-05 year</u>	<u>2005-06 through 2009-10</u>
		Additional cost of New space.	Provides for anticipated volume increases for electricity, water, natural gas, oil and steam. There is also provision for operating cost (caretaking, maintenance)	The current year approval of \$1.5m includes a correction of recovery from divisions of approx. \$925k related to delay in the use of the TDSB building, and a collection from the Faculty of Medicine related to 500 University Ave., which should not have been included. The remaining funding of \$500k is mainly to cover the the cost in Board of Education building.	
6		Paid Leave Commitments			
		Administrative leaves	Central budget provision to meet the cost of leaves for faculty members who serve in the University's administration, the School of Graduate Studies, and St. George Campus Constituent and Federated Colleges	Variances over last year's submission are primarily due to the shifting in timing of administrative leaves (2004-08) and the addition of additional leave due to increased administrative service (2008-09)	The budget is \$305,557, \$661,736, \$901,296, \$727,065, \$726,142 (2005-2010) respectively.
		Release Time - UTFA, USWA, CUPE	Central funding for the contract-related secondments associated with union agreements.	Effective January, 2004, the release time per FTE for UTFA officers will increase to \$107,200 plus benefits from \$63,516 plus benefits. The requested base budget increase of \$118,993 was approved by BPS for 2004-5. USWA - for 2004-5 and beyond assumes an average salary of \$58,000 plus benefits, BPS approved the request for an added \$35,487 in base budget. OTO funding of \$138,620 for 2004-05 was also approved to fund the commitment for 2 FTE's for the Job Evaluation program. CUPE: Base adjustment of \$732.	UTFA - 3% in each year through 2009/10. USWA - 3% in each year through 2009/10, and OTO funding of \$23,102 for 2005-06 was also approved to fund the commitment for 2 FTE's for Job Evaluation program, ending June 30 2005. CUPE - 3% in each year through 2009/10.
7		Library Acquisitions Commitments			

TABLE 1
Contractual Obligations Policy Commitments -
2004 TO 2010.

		<u>Item</u>	<u>Explanation</u>	<u>2004-05 year</u>	<u>2005-06 through 2009-10</u>
		Library acquisitions	Provides for library acquisition expenses from budget reductions and to adjust those expenses annually in relation to price inflation and currency fluctuation. Thus the policy is aimed at maintaining the real purchasing power of the library acquisitions budgets.	The required increase in funding for the next budget year is calculated based on expected changes in the prices of books/periodicals and on exchange rate fluctuations. A 4.15% rate of base budget increase was approved for 2004-5. The Book Fund Contingency is calculated to protect the book fund budget from fluctuations of the currencies during the next budget year. The benchmark rates are compared to the forward rates (purchasing, 1 year out) for each of the four major currencies - US dollar, Euro, Pound and Yen and the proportion of the budget actually spent in each of the currencies. A contingency requirement of \$1,440,358 was approved for 2004-05.	BPS approved the continuation of the 4.15% base budget throughout the long range budget period, with annual review.
		8 <u>Other Policy Commitments</u>			
		Expenses Funded from Overhead on Contract Research	Funds distributed to the units which incur the indirect costs on a slip year basis as a one-time-only budget in the unit's operating fund.	OTO provision for the current year is \$5.8m.	
		Expenses Funded from Overhead on Federal Research Grant	Divisional portion of the total overhead generated from the Federal Granting Councils.	Base Budget of \$3.8m.	
		Overhead on University Student Assistance	Overhead of 5% applied to the total Student Aid reinvestment budget to cover administrative cost.	Base Budget of \$1.4m.	

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Contractual Obligations Policy Commitments -
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		<u>Item</u>	<u>Explanation</u>	<u>2004-05 year</u>	<u>2005-06 through 2009-10</u>
		Insurance	Provides funding for protection against specific loss and/or damage.	Insurance costs have come under pressure due to events related to the September 11 tragedy, the general increase in the UofT's property values (particularly to the new construction) and the increase in the rates of the university's carrier CURIE (Canadian University Reciprocal Insurance Exchange) resulting from higher claims experience. Continued use of the Insurance reserve to offset these cost pressures is not feasible. The reserves actual level of \$1.3 million (with a \$1.5 million target level) is already below recommended levels. It was agreed to place a \$275,000 contingency on the COPC list for 2003-4 to address immediate needs. In addition, for 2004-5 a base budget increase of \$589,792 was approved, bringing the total budget to \$1,450,000.	No base increase is expected at this time for the remaining years of the forecast.
		Governing Council Elections.	Provide funding to re-imburse candidates for expenses related to Governing Council elections.	The base budget addition of \$3,605 reflects the need to revise documentation concerning election guidelines and expected election-related costs. In addition, the prior-year's contingency approval of \$11,000 was extended as election-related announcements in local newspapers are likely.	Flat-lined for outer years. To be reviewed every year based on new information available.
		9 <u>Operating Fund Transfer to Capital</u>			
	1	Amortization of Capital debt, UIIF & MARS Loan	Provide funds to cover debt charges.	Debt service charge to increase by \$2.7m in 2004-05 due to added debt load for matching funds commitments known through to 2008-09.	Increase of \$1.2m in 2005-06 relates to purchase of the Medical Arts Building. There are insufficient funds to allow for the added \$8 million in capital debt financing for 2004-05, rising to \$14.6 million in 2009-10. The budget was revised accordingly.
		10 <u>Contingency Items</u>			
	2	COPC Contingency	Additional funding provision, held centrally, to cover expense fluctuations for major COPC items, i.e. Library book fund, Legal fees,etc. Based on need, the funds are transferred OTO during the year.	BPS approved the use of the 75% rate.	BPS approved the use of the 75% rate.

TABLE 2
Contractual Obligations and Policy Commitments (COPC) List.
Budget Allocations 2004-05

	<----Base Changes---->				
	2003-04 BUDGET	Price Inflation & Formula Adjustments	Other	Total Base	Total 2004-05 Budget
<u>1. CONTRACTUAL OBLIGATIONS TO AFFILIATED INSTITUTIONS</u>					
Federated Colleges block grant (incl PIMS)	6,802,381	385,245		385,245	7,572,871
TST Theology Grant	1,860,975	45,287		45,287	1,906,262
Transfer Payments re Joint Programs with Colleges	3,231,494	777,869		777,869	4,009,363
TOTAL-CONTRACTUAL OBLIGATIONS TO AFFILIATED INST.	11,894,850	1,208,401	-	1,208,401	13,488,496
<u>2. OTHER CONTRACTUAL OBLIGATIONS</u>					
Lease Cost of Off-Campus Space	987,937		(58,000)	(58,000)	929,937
TOTAL- OTHER CONTRACTUAL OBLIGATIONS	987,937	-	(58,000)	(58,000)	929,937

TABLE 2
Contractual Obligations and Policy Commitments (COPC) List.
Budget Allocations 2004-05

	<----Base Changes---->					
	2003-04	Price Inflation		Total		Total
	BUDGET	& Formula	Other	Base	OTO	2004-05
		Adjustments				Budget
3. INSTITUTIONAL STATUTORY COMMITMENTS						
Membership fees :						
-A.U.C.C.	169,104	2,429		2,429		171,533
-COU Subscriptions	638,001	6,380		6,380		644,381
-Total Other Membership	84,199	842		842		85,041
Subtotal- Membership Fees	891,304	9,651	-	9,651	-	900,955
Negotiating Expenses (a) UTFA	75,037			-	(30,000)	45,037
Negotiating Expenses (b) USWA *	15,000			-	95,000	110,000
Negotiating Expenses (c) TA (CUPE 3902)	19,694		(9,694)	(9,694)	3,000	13,000
TA/ TATP	50,000			-		50,000
Job Accommodation Fund/ Program	25,000			-		25,000
Legal Fees *	2,792,000			-		2,792,000
Pension Consulting	50,000			-		50,000
Radioactive & Chemical Waste Disposal *	470,000	-	-	-		470,000
Biomedical Waste Disposal (F&S)	41,712			-		41,712
Environmental Health & Safety Fund *	38,000			-		38,000
Drinking Water Regulation Testing - F&S.	5,000			-		5,000
EH&S - Certification Training & transfer from USWA	32,000	-	-	-		32,000
TOTAL- INSTITUTIONAL STATUTORY COMMITMENTS	4,504,747	9,651	(9,694)	(43)	68,000	4,572,704

* SEE COPC CONTINGENCY

TABLE 2
Contractual Obligations and Policy Commitments (COPC) List.
Budget Allocations 2004-05

	<----Base Changes---->			Total Base	OTO	Total 2004-05 Budget
	2003-04 BUDGET	Price Inflation & Formula Adjustments	Other			
<u>4. UTILITIES</u>						
Utilities: St George *	25,539,132	1,838,585		1,838,585		27,377,717
Energy Management Fund	200,000			-		200,000
Relamping Project	(163,467)			-		(163,467)
Co-Generation Savings	(292,480)			-		(292,480)
Flue Heat Recovery Project	392,467			-		392,467
Sub total - St George Utilities	25,675,652	1,838,585	-	1,838,585	-	27,514,237
Utilities : UTSC	2,500,172	5,001		5,001		2,505,173
Utilities : UTM	2,537,137	667,254		667,254		3,204,391
TOTAL - UTILITIES	30,712,961	2,510,840	-	2,510,840	-	33,223,801
* SEE COPC CONTINGENCY						-

TABLE 2
Contractual Obligations and Policy Commitments (COPC) List.
Budget Allocations 2004-05

	<----Base Changes---->			Total OTO	Total 2004-05 Budget
	2003-04 BUDGET	Price Inflation & Formula Adjustments	Other		
<u>5. ADDITIONAL COST OF NEW SPACE</u>					
Other Requests	-				-
Gerstein Addition - 3/12's	73,226				73,226
Earth Science Greenhouse - 2/12's	82,270				82,270
Haultain Bldg Conversion	25,818				25,818
Canadiana Building	75,604				75,604
Sid Smith Infill - balance of 9 months	26,142	55,585		55,585	81,727
New Daycare Centre (2/12 in 04-05))	64,525	21,463		21,463	85,988
500 University (12/12)	519,834			-	519,834
Medical Arts (12/12)	45,041			-	45,041
Lash Miller Nanolab (8 month cost)		6,177		6,177	6,177
Lash Miller CED High Voltage substation		7,539		7,539	7,539
BCIT - CED High Voltage substation		10,628		10,628	10,628
Incremental Operation & Maintenance		10,000		10,000	10,000
Roof Anchor - Annual Inspection & Certification - OHS Requirement		19,500		19,500	19,500
New Compulsory Annual Electrical Permit - St. George Campus		77,000		77,000	77,000
Emergency Deluge Showers - Annual Cost of Repairs Identified by OHS		30,000		30,000	30,000
Annual Gas Line Inspection/Repairs Due to Legislative Requirements		10,000		10,000	10,000
City Of Toronto Areaways Tax Increases		12,000		12,000	12,000
West Nile virus prevention				25,000	25,000
Daycare Facilites - Play ground inspections				4,000	4,000
Board of Ed - 155 College (4/12)	488,065	125,924		125,924	613,989
Board of Ed - 255 McCaul (4/12)	225,587	58,206		58,206	283,793
Board of Ed - 263 McCaul (4/12)	105,268	112,473		112,473	217,741
Recovery from Divisions		925,218		925,218	925,218
TOTAL - ADDITIONAL COST OF NEW SPACE	1,731,380	1,481,713	-	29,000	3,242,093

TABLE 2
Contractual Obligations and Policy Commitments (COPC) List.
Budget Allocations 2004-05

	<----Base Changes---->			Total OTO	Total 2004-05 Budget
	2003-04 BUDGET	Price Inflation & Formula Adjustments	Other		
6. PAID LEAVE COMMITMENTS					
Administrative leaves	-			201,276	201,276
UTFA Released Time	201,267		118,993	118,993	320,260
USWA Released Time	172,443		35,487	138,620	346,550
CUPE 3902 Released Time	-		10,486		10,486
CUPE 3261 Released Time	38,403		-		38,403
CUPE 1230 Released Time	24,388	732		732	25,120
TOTAL - PAID LEAVE COMMITMENTS	436,501	732	164,966	339,896	942,095

TABLE 2
Contractual Obligations and Policy Commitments (COPC) List.
Budget Allocations 2004-05

<----Base Changes---->					
	2003-04 BUDGET	Price Inflation & Formula Adjustments	Other	Total Base	Total 2004-05 Budget
7. LIBRARY ACQUISITIONS COMMITMENTS					
St George (excl. binding)					
-Books *	5,971,064	247,799		247,799	6,218,863
-Periodicals *	8,663,301	359,527		359,527	9,022,828
-Automation	3,945,346	163,732		163,732	4,109,078
	18,579,711	771,058	-	771,058	19,350,769
Scarborough					
-Books *	1,217,945	50,545		50,545	1,268,489
-Periodicals *	-	-		-	-
-Automation	-	-		-	-
	1,217,945	50,545	-	50,545	1,268,489
Erindale					
-Books *	293,911	12,197		12,197	306,109
-Periodicals *	763,761	31,696		31,696	795,457
-Automation	212,664	8,826		8,826	221,489
	1,270,336	52,719	-	52,719	1,323,055
Law					
-Books *	138,907	5,765		5,765	144,672
-Periodicals *	555,629	23,059		23,059	578,687
-Automation	149,470	6,203		6,203	155,673
	844,006	35,026	-	35,026	879,032
Graduate Institutes & Centres	45,527	1,889		1,889	47,416
Audio Visual Library	77,420	3,213		3,213	80,633
Dentistry	6,019	250		250	6,269
Innis College	10,459	434		434	10,893
Management	-	-		-	-
Music	7,062	293		293	7,356
New College	18,837	782		782	19,618
Fine Arts	41,944	1,741		1,741	43,685
University College	7,846	326		326	8,171
				-	
TOTAL - LIBRARY ACQUISITIONS	22,127,111	918,275	-	918,275	23,045,386

TABLE 2
Contractual Obligations and Policy Commitments (COPC) List.
Budget Allocations 2004-05

<----Base Changes---->					Total 2004-05 Budget
2003-04 BUDGET	Price Inflation & Formula Adjustments	Other	Total Base	OTO	

* SEE COPC CONTINGENCY

TABLE 2
Contractual Obligations and Policy Commitments (COPC) List.
Budget Allocations 2004-05

	<----Base Changes---->				
	2003-04	Price Inflation		Total	Total
	BUDGET	& Formula	Other	Base	2004-05
		Adjustments			Budget
8. OTHER POLICY COMMITMENTS					
Expenses Funded from Overhead on Contract Research	-			-	5,833,516
Expenses Funded from Overhead on Federal Research Grant	3,959,335	(194,240)		(194,240)	3,765,095
Overhead on University Student Assistance	1,088,442	306,753		306,753	1,395,195
Insurance	860,208	589,792		589,792	1,450,000
Governing Council Elections *	32,760	3,605		3,605	36,365
OCGS Periodic Appraisal Costs	-			-	-
* SEE COPC CONTINGENCY					
TOTAL- OTHER POLICY COMMITMENTS	5,940,745	705,910	-	705,910	5,833,516
					12,480,171
9. OPERATING FUND TRANSFER TO CAPITAL					
Amortization of UIIF Loan and MaRS Loan	11,750,000	2,731,321		2,731,321	14,481,321
					-
10. CONTINGENCY ITEMS (see list at end)	3,870,750	(896,177)		(896,177)	-
					2,974,573
					-
TOTAL COPC - ITEMS 1 TO 10	93,956,982	8,670,666	97,272	8,767,938	6,655,657
					109,380,577
					-

TABLE 2
Contractual Obligations and Policy Commitments (COPC) List.
Budget Allocations 2004-05

2003-04 BUDGET	<----Base Changes---->		Total Base	OTO	Total 2004-05 Budget
	Price Inflation & Formula Adjustments	Other			

Contingency Items

	Base
Library books (currency fluctuations)	1,440,358
Legal Fees	700,000
Utilities	1,684,739
CUPE 3902 Negotiation Expense	-
Radioactive & Chemical Waste Disposal	55,000
Environmental Health & Education Fund	45,000
Governing Council Elections	11,000
Insurance	-
USWA Negotiations - Job Evaluation Project	30,000

TOTAL CONTINGENCY

-
3,966,097

Contingency Coverage of Risk 2004-05 @ 75%

2,974,573

Prior Year Contingency

3,870,750

Net Change in Contingency for 2004-05

(896,177)
