

**FOR CONFIRMATION**

**PUBLIC**

**CLOSED SESSION**

**TO:** Executive Committee

**SPONSOR:** Professor Bruce Kidd, Vice-President and Principal  
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**PRESENTER:** Ms Sue Graham-Nutter, Chair, UTSC Campus Affairs Committee  
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**DATE:** March 16, 2015 for March 24, 2015

**AGENDA ITEM:** 5(e.)

**ITEM IDENTIFICATION:** 2015-16 Operating Plans for UTSC Service Ancillaries

**JURISDICTIONAL INFORMATION:**

Under the Terms of Reference for University of Toronto Scarborough Campus Affairs Committee, sections 5.1 and 5.3.1, the Committee considers and recommends to the UTSC Campus Council for approval the operating plans for the campus service ancillaries.

**GOVERNANCE PATH:**

1. UTSC Campus Affairs Committee (For Recommendation) (February 11, 2015)
2. UTSC Campus Council (For Approval) (March 3, 2015)
3. University Affairs Board (For Information) (March 17, 2015)
4. **Executive Committee (For Confirmation) (March 24, 2015)**

**PREVIOUS ACTION TAKEN:**

At its meeting held on February 12, 2014, the UTSC Campus Affairs Committee considered and recommended the 2014-15 UTSC service ancillary operating plan proposal to the UTSC Campus Council for approval. On March 4, 2014, UTSC Campus Council approved the 2014-15 service ancillary operating plans and were presented to the University Affairs Board for information on March 18, 2014. The service ancillary operating plans received confirmation of approval from the Executive Committee on March 27, 2014.

**HIGHLIGHTS:**

The UTSC Campus Affairs Committee considers and recommends operating plans for all UTSC service

ancillaries on an annual basis. Those plans include a management report that describes the proposed services and programs offered within the financial parameters of the University's operating budget and financial policies set by the Business Board. The plans also include each ancillary's annual operating budget, as well as changes to program and levels of service, categories of users, accessibility, and compulsory or optional fees. This year, the plans will report on actual financial results for 2013-14, the forecast for 2014-15, and projections for the five year period, 2015-16 to 2019-20. Only the proposed budget for 2015-16 is presented for approval.

### Consultation

The UTSC Service Ancillary operating plans are developed in a consultative process with the Office of the Chief Administrative Officer and the Financial Services Department. These plans are assessed for completeness, adherence to fiscal policies, financial feasibility and in achieving the four key financial objectives for service ancillaries. Consultation around each of these plans also occurs with stakeholder groups that are directly affected, and that form part of the advisory and decision-making structures of each operation. Students are included in these groups. The Student Housing Advisory Committee includes membership from residents at large, students living off campus in rental accommodations, residence advisor, representation from the Scarborough Campus Residence Council President, and elected members from the Scarborough Campus Student Union (SCSU). The Food User Committee gathers various representatives from the UTSC community including academic staff and faculty, administration, students, and representatives from the campus' food service provider and the SCSU. The Parking Advisory Review Committee includes academic staff and faculty, administration, and students.

Each advisory group was provided with the opportunity to discuss ancillary management plans, operations, products, programs, and initiatives presented by the service ancillary. Discussions covered accessibility, hours of operations, pricing, service levels, current and future programs, and maintenance projects planned, as applicable. The various advisory committees provided feedback and guidance to topics brought forward by the service ancillaries, which were used to develop the operating plans submitted to the Committee for recommendation. The 2015-16 operating plans and management reports were also provided to University of Toronto Financial Services Department for comment. No major concerns were raised.

### Overview

Service ancillaries at the University of Toronto Scarborough include Student Housing and Residence Life, Conference Services, Food and Beverage Services, and Parking Services. These operations are measured over the long-term on their success in meeting four objectives: (i) to operate without subsidy from the operating budget; (ii) to provide for all costs of capital renewal, including deferred maintenance, furniture and equipment; (iii) having achieved the first two objectives, create and maintain a minimum operating reserve of 10 percent of annual expenditures; and (iv) having achieved the first three objectives, contribute net revenues to the operating budget.

### 2015-16 Service Ancillary Operating Plans and Budgets

Service ancillaries are budgeting net income of \$1.7 million before transfers at April 30, 2016 on projected revenues of \$12.1 million (see Schedule 1), which will primarily be applied to increase reserves for capital renewal, operating, and new construction, thus strengthening financial health.

2015-16 Service Ancillary Capital Budgets

The service ancillaries are budgeting capital expenditures of \$0.9 million in 2015-16 (see Schedule 5). The capital budgets include roof replacement and furniture for Residence, a litter vacuum for Parking Services, and seating area upgrades and kitchen equipment in Food Services.

2015-16 Service Ancillary Rates and Fees

Student Housing and Residence Life proposes a 4% residence fee increase for 2015-16. Over the last 10 years, the average residence fee increase is 5%. Parking Services proposes a 3% permit rate increase for all categories of UTSC permits in 2015-16. Permit increases of 3% have been implemented since 2008-09 with 5% fee increases in years prior to 2008-09.

These budgets and rates provided for approval for 2015-16 are reasonable based on the operating plans, which outline the opportunities and ongoing challenges facing the ancillaries, with the understanding that there will be continuing work to address various issues.

**FINANCIAL IMPLICATIONS:**

The anticipation of each ancillary in achieving the objectives of the budget guidelines are summarized in Schedule 2.

**RECOMMENDATION:**

Be It Confirmed

THAT the 2015-16 operating plans and budgets for the UTSC Service Ancillaries, as summarized in Schedule 1; the Service Ancillary capital budgets as summarized in Schedule 5; and the rates and fees in Schedule 6, as presented in the documentation dated January 27, 2015, be approved effective May 1, 2015.

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**DOCUMENTATION PROVIDED:**

Service Ancillary Report on Operating Plans, 2015-16



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# Service Ancillary Operating Plans 2015-16

Campus Affairs Committee Meeting  
February 11, 2015

## Budgets

Operating Fund Budget - Student tuition  
and Government grants

Student Fees - for Student programming

Ancillary Budgets - Funded exclusively by  
the users of the service

## Ancillary Budgets

- Must be self sufficient
  - Operating Expenses
  - Capital Investment
  - Maintain Reserves
- Provide services to all internal users as well as external users

## Service Ancillaries

*Objectives: 1) Operate without subsidy from the operating budget; 2) provide for all costs of capital renewal; 3) create and maintain an operating reserve; and 4) contribute net revenue to the operating budget.*

### 2015-16 Proposal

	Residence	Conference	Food and	Parking
		Services	Beverage	Services
Revenue	\$ 6,396,444	\$ 1,447,325	\$ 920,376	\$ 3,308,581
Expense	6,028,989	1,230,335	709,573	2,358,829
<b>Net Income</b>	<b>367,455</b>	<b>216,990</b>	<b>210,803</b>	<b>949,752</b>
Investment in Cap. Assets	2,082,682	9,464	508,966	588,049
Capital Renewal	704,812	1,000	6,600	310,212
Operating	652,807	723,662	180,739	275,979
New Construction	-	881,667	87,002	3,000,000
Unrestricted	(1,301,027)	-	-	502,049
<b>Net Assets</b>	<b>\$ 2,139,274</b>	<b>\$ 1,615,793</b>	<b>\$ 783,307</b>	<b>\$ 4,676,289</b>

## Ancillary Units at UTSC

- Student Housing and Residence Life - Michelle Verbrugghe
- Retail and Conference Services - Fran Wdowczyk
- Food and Beverage Services - Fran Wdowczyk
- Parking Services - Gary Pitcher



## Student Housing and Residence Life

- Service/Experience Improvements
- Cost Containment
- 4% fee increase
- Consultation Process



# Student Housing and Residence Life

*"A living and learning experience that can transform lives,"*

**Achievements:** Achieved an occupancy rate of 98%

**Challenges:** Maintaining adequate pricing while not pricing students out of residence

## 2015-16 Proposal

<u>(000's)</u>	<b>2015-16</b>	<b>2014-15</b>		
	<u>Budget</u>	<u>Forecast</u>	<u>v. Budget</u>	<u>v. Prior Year</u>
Revenue	\$ 6,396	\$ 6,088	-1%	5%
Expenses	\$ 6,029	\$ 5,925	0%	3%
Net Income	\$ 367	\$ 163	-26%	640%
Net Assets	\$ 2,139	\$ 1,772	-3%	10%

## Retail and Conference Services

### Revenue

- **Camp U of T (Scarborough)**
  - Replaces former Athletics operated All-Star Camp
  - Arts & Science camp for community children 6 to 12
  - Leadership camp for ages 13 & 14
- **October 23 - 25, 2015** - The Jane Goodall Youth Summit; target of 200 delegates
- **June 22-26, 2016** - The Association of Food & Society Annual Conference; target of 500 delegates

# Retail and Conference Services

*“Maximize use of campus facilities and resources when not required for academic purposes,”*

**Achievements:** Successful partnerships with summer programs

**Challenges:** Diversifying portfolio with limited access to campus facilities

## 2015-16 Proposal

(000's)	2015-16	2014-15		
	Budget	Forecast	v. Budget	v. Prior Year
Revenue	\$ 1,447	\$ 1,037	10%	21%
Expenses	\$ 1,230	\$ 863	5%	9%
Net Income	\$ 217	\$ 174	44%	164%
Net Assets	\$ 1,616	\$ 1,399	1%	14%

## Food and Beverage Services

- RFP Consultation
  - The Food User Committee consulted on the RFP
- Revenue
  - RFP commission 17% from Aramark (catering and regular retail sales)
  - 2014-2015 Projected Profit: \$298,754
  - 2015-2016 Projected Profit: \$210,804
  - To date, sales are higher over the last year by 18% (fiscal year)
  - BV Tim Horton's sales of \$1.5 million was the top performing outlet for Aramark Canada Higher Education in 2014

# Food and Beverage Services

*“Enhance student life experience and client experience while seeking opportunities for growth,”*

Achievements: Renovations of the Marketplace and new outlets  
 Challenges: Maintaining quality of service and menu offerings

## 2015-16 Proposal

(000's)	2015-16	2014-15		
	<u>Budget</u>	<u>Forecast</u>	<u>v. Budget</u>	<u>v. Prior Year</u>
Revenue	\$ 920	\$ 879	20%	34%
Expenses	\$ 710	\$ 580	-2%	8%
Net Income	\$ 211	\$ 299	109%	146%
Net Assets	\$ 783	\$ 842	39%	55%

## Parking Services

- Event parking, Pan Am Games (July 10-26, 2015)
- Event parking, post-games (weekend events)
- Standalone parking structure, South Campus
- 3% Permit Fee Increase



# Parking Services

*“Provide quality parking facilities and services in a safe, effective environment,”*

**Achievements:** Initiating plans for first parking structure at UTSC

**Challenges:** Managing parking supply in anticipation of campus growth

## 2015-16 Proposal

<u>(000's)</u>	<b>2015-16</b>	<b>2014-15</b>		
	<b><u>Budget</u></b>	<b><u>Forecast</u></b>	<b><u>v. Budget</u></b>	<b><u>v. Prior Year</u></b>
Revenue	\$ 3,309	\$ 2,980	3%	4%
Expenses	\$ 2,359	\$ 2,375	4%	15%
Net Income	\$ 950	\$ 605	-4%	-24%
Net Assets	\$ 4,676	\$ 3,969	2%	10%



## Recommendation

Be It Recommended to the UTSC Campus Council,

*THAT the 2015-16 operating plans and budgets for the UTSC service ancillaries, as summarized in Schedule 1; the service ancillary capital budgets as summarized in Schedule 5; and the rates and fees in Schedule 6, as presented in the documentation provided by Andrew Arifuzzaman, Chief Administrative Officer, be approved, effective May 1, 2015.*



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# Discussion