TO: Members of the University Affairs Board

FROM: Ian Orchard, Vice-Provost, Students

FOR: Meeting of March 26, 2002

AGENDA ITEM:

ITEM IDENTIFICATION:

- 2002-2003 Operating Plans for the Service Ancillaries

JURISDICTIONAL INFORMATION:

Each year the Board approves operating plans for service ancillaries, which describe the services and programs to be offered, within the financial parameters set by the University's operating budget and financial policies set by the Business Board. The plans include each ancillary's annual operating budget, and describe changes to programs and levels of service, categories of users, accessibility, and compulsory or optional fees. (University Affairs Board Terms of Reference, 4.1.1.(ii))

PREVIOUS ACTION TAKEN:

- A variety of previous approvals, have been given to these plans as outlined on page 10 of the attached report

- Draft plans for each ancillary have been reviewed by the Financial Services Department, whose report has been considered by the Service Ancillaries Review Group (SARG) and accepted by the President and Vice-Presidents (PVP). Three members of the University Affairs Board are members of SARG and have participated in the review of the plans.

ACTION SOUGHT:

- Approval of service ancillary operating plans for 2002-2003 (with the exception of Hart House), including the service ancillary operating budgets, as summarized in Schedule II; the service ancillary capital budgets as summarized in Schedule V; and the rates and fees in Schedule VI.

HIGHLIGHTS:

- Highlights of the service ancillaries' management reports are summarized in the Executive Summary – pages 2 to 8.

- Copies of the management reports for all ancillaries are included in the SARG report. Detailed budgets and plans for each are available from any one of the following offices: Governing Council, Vice-President, Business Affairs, Assistant Vice-President, Operations & Services and Vice Provost, Student.

FINANCIAL IMPLICATIONS:

- The degree to which each ancillary anticipates achieving the objectives of the long range budget guidelines for the operating budget are summarized on page 12.

University of Toronto

Service Ancillaries Report on Operating Plans

For the Year 2002-2003

SARG

March 15, 2002

Service Ancillaries Report on Operating Plans

For the Year 2002-2003

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EXECUTIVE SUMMARY

Background

Each year the University Affairs Board approves operating plans for all service ancillaries. These describe the services and programs proposed to be offered within the financial parameters set by the University's operating budget and financial policies set by the Business Board. The plans include each ancillary's annual operating budget, and describe changes to programs and levels of service, categories of users, accessibility, and compulsory or optional fees.

The service ancillaries' annual budgets for 2002-03 and long-range plans for 2003 to 2007 were reviewed by a number of student and local committees and councils. There is student representation on all committees and councils except the Resource, Planning and Priorities Committee at UTM (see page 10).

Following this consultative process, the Financial Services Department reviewed the management reports submitted by each ancillary, for completeness, adherence to fiscal policies and financial feasibility and assessed the progress made by each ancillary towards achieving the four financial objectives established for ancillaries. These are:

1. To operate without subsidy from the operating budget. Should the need for subsidy be identified, the subsidy must be expressed as a matter of policy and compete on equal terms with other priorities in the operating budget.

2. To provide for all costs of capital renewal, including deferred maintenance. Provision must be made for regular replacement of furniture and equipment.

3. Having achieved objectives (1) and (2) to create and maintain an operating reserve (excluding capital requirements) equal to fifty percent of annual expenditure budgets (net of cost of goods sold and capital costs) at a rate of accumulation of five percent per annum, as a protection against unforeseen events which would have a negative financial impact on the operation.

4. Having obtained objectives (1), (2) and (3), service ancillaries will contribute net revenues to the operating budget*. The rate of contribution will be established by each individual campus for each individual ancillary. (*For purposes of clarification, objective 4 relates to all contributions of net revenues made by the ancillary operation to any operating budget outside of their own operations.)

Issues requiring further action were identified by Financial Services and addressed by the ancillaries. Finally the budgets were reviewed by the Service Ancillaries Review Group (SARG), which includes three members of the University Affairs Board, one of whom is a full-time undergraduate student.

The Service Ancillaries Review Group provides advice and formulates recommendations on the operating plans for all service ancillaries. The SARG process contributes to the success of the ancillary operations by providing direction and guidance on short and long range planning. It serves as a review and monitoring group and recommends plans and budgets for approval. It also considers other matters that fall within its purview.

The key issues facing service ancillaries relate to enrolment expansion. Mississauga, Scarborough and New College residences are planning to add residence capacity and those plans are contained in their submissions. Food service expansion is in the early stages. Selected parking expansion is also planned.

Concerns were raised at SARG about the level of reserves for all ancillaries and the need for a guideline that requires contribution to the reserve fund before the contribution to the operating fund. An analysis will be undertaken by Business Affairs to determine an adequate level of reserves.

This report includes highlights for each ancillary budget along with the service ancillaries' management reports for all ancillaries and summary financial information on the 2002-03 budgets and long range plans and on the extent to which each ancillary anticipates achieving the four objectives. Copies of the detailed submissions may be obtained from any of the following offices: Governing Council, Vice-President Business Affairs, Assistant Vice-President Operations and Services and Vice-Provost, Students.

Collectively, the service ancillaries are projecting a cumulative surplus of $6.0 million for 2002-2003, while contributing $2.0 million to operating funds. Graduate House and Mississauga parking are projecting deficits, while all other service ancillaries are projecting surpluses for the year. Commitments to capital renewal total $14.6 million, of which $4.7 million is for the St. George Family Housing ancillary.

Residences

Residence ancillaries are planning to build additional residence spaces to meet the residence guarantee for first year students. The need for residence expansion has presented a financial challenge, in that the costs of building new residences have risen faster than residence rates. An annual subsidy of $1.7 million has been allocated from the academic priorities fund (APF) in support of residence expansion and other changes have been made to the objectives.

In the case of the first objective, a subsidy will be provided for a maximum of eight years through the APF from the University's operating budget to a college's residence ancillary budget to cover a portion of the borrowing cost. The combined ancillary operation will be required to break even annually in year 5 and cumulatively in year 8, and the subsidy amount will be calculated to achieve those break-even targets. Should special circumstances warrant, the University may continue to assist a college with principal and interest payments after eight years.

In the case of the second objective, the normal capital renewal provision for new residence buildings will be deferred until the sixth year they are in operation.

The third objective will remain unaltered, i.e., the residence ancillary will continue to be responsible for funding operating and maintenance contingencies in the residences.

The first three objectives must be met before the fourth can be invoked, i.e., transfers from the residence and conference ancillaries to the divisional operating budget can only occur when the residence and conference ancillaries combined meet the first three objectives. During the current residence expansion program, the first three objectives will only be met after

1. the annual subsidy provision has ended;
2. the annual 1.5% provision for capital renewal is being set aside; and
3. operating contingencies have been provided for by means of net surpluses.

In the intervening period, it is expected that the residence and conference ancillaries will retain within their ancillary budgets the funds normally transferred to their college operating budget and use these funds to support the expansion program. This expectation has been factored into the financial plans which colleges have submitted for their program of residential expansion and into the calculation of the maximum subsidy available to each division from the APF.

During the residence expansion program, colleges are expected to continue to strive to maximize their cash flows through revenue and expense management. Each year during which a central subsidy flows to a college, the actual amounts generated by the residence and conference ancillaries combined will be compared to the amounts required in the subsidy model. Colleges will be allowed to transfer to their operating budgets any amount in excess of the amount required by the subsidy model to generate annual break-even of the ancillary in year 5 and cumulative break-even in year 8.

Starting with the next budget submission, operating plans should reflect annually the variance from meeting the objectives and the timelines for correction.

There should also be a consistent approach to setting rates and implementation in a decentralized system, as well as finding a way of determining how residences can move to market rate without negative impact on accessibility. SARG review next year should have guidelines related to benchmarks for residence costs, with the objective of allowing choices across ancillaries for appropriate expenditures rather than "silo" judgements.

The ancillary objectives have been modified for Scarborough, Mississauga and New College residences to allow for deficits, with annual break-even in year 5 and cumulative break-even in year 8, with deferral of the capital renewal provision on new construction to year 6. New College residence will be receiving an operating fund subsidy for eight years.

A new ancillary, the St. George Family Housing ancillary, has been formed to manage the residences at 30 and 35 Charles Street, which were acquired from Ontario Housing Corporation in September 2001. The St. George Graduate residence ancillary has closed, as has the St. George conference ancillary. Graduate House has made progress towards reducing its cumulative deficit and is now projecting its elimination one year ahead of schedule.

Mississauga

The new residence is scheduled to open September 2003, without subsidy from the academic priorities fund (APF). The capital renewal provision for the new building will be deferred to year 6.

The residence operation is forecasting a cumulative surplus of $54,489 for April 30, 2003, which is then projected to decrease significantly to a deficit position of ($1,326,992) by April 2007 as a result of the new residence operation. The ancillary anticipates a positive operating result in 2007-08 and a positive cumulative surplus balance in 2010-11.

Room rates are expected to increase at a rate of 5% during the period from 2003-04 to 2006-07. Rates for this Residence differed from year to year. **Next year's report from this ancillary will reflect a review of the rate structure.**

Scarborough

The new residence is scheduled to open September 2003, without subsidy from the academic priorities fund (APF). The capital renewal provision for the new building will be deferred to year 6.

The forecasted cumulative surplus balance of $389,848 at April 30, 2002 will increase over the next two years in anticipation of the new residence, then decrease in the first two years of operation of the new residence, to settle at a surplus of $419,073 by April 30, 2007.

All room rates are budgeted to increase. First year student room rates are to increase by 15 %, with returning student room rates to increase by 7%.

Scarborough could not initially fill residences with their students; increased enrolment has changed this, however it is necessary to determine if it is realistic to expect suburban campuses to achieve the objective of 25% of first-year students in residence.

New College

There are uncertainties related to the cost and completion date of the new residence scheduled to open September 2003.

An operating surplus of $219,929 is forecasted in 2001-02 with a surplus expected in 2002-03. A contribution of $203,211 to the College's operating fund, is forecasted in 2002-03. The ancillary is committed to larger fee increases over the next three years than originally planned with room rates forecast to increase by 5% in 2002-03, followed by 7% increases in the next two years with rate increases returning to 5% in the last two years of the five-year plan.

Innis College

An operating surplus of $35,000 is forecasted in 2001-02. The 2002-03 budget and long range plan projects a modest operating surplus after commitments to capital renewal in 2002-03, with moderate increases in the following years. No expansion plans are reflected in this year's submission.

Winter room rates are forecast to increase 10% with summer room rates increasing 16%.

With the cessation of conference services at this residence, discussions should be undertaken with the Dean of Arts and Science toward a trimestered program that would allow full-time study during the summer months. Residence space would be available in Innis, students would benefit from the continuing program, and additional students would generate additional tuition and operating grants revenue.

University College

Operating results for 2001-02 are expected to show a surplus after commitments of $105,097. The 2002-03 budget and long-range plan projects a deficit of ($227,711) after commitments and transfers. No expansion plans are reflected in this year's submission. When residence expansion plans have been developed, a revised long-range plan will be produced. This will include plan renovations to both the existing residence and food service operations.

Room rates are forecast to increase 8% for each of the three years. With expansion, the rates for years two and three will have to be adjusted upwards.

Graduate House

2001-02 year will be the first complete year of operation for this residence. Only the second financial objective set for ancillary operations was met.

Action has been taken to improve the management of this ancillary. The 2002-03 budget and long range plan project the cumulative deficit to decrease from a deficit of ($676,513) at April 30, 2003 to a surplus of $47,214 by the end of 2005-06.

All residence room rates are forecasted to increase by approximately 3% in 2002-03.

St. George Family Housing

This residence, which consists of two properties located at 30 and 35 Charles Street West, was purchased from the Ontario Housing Corporation (OHC) in September of 2001.

An operating surplus of $0.7 million is forecasted in 2001-02 mainly due to reduced major capital maintenance. The 2002-03 budget and long range plan projects significant annual operating surpluses after commitments, with the cumulative surplus growing to a forecasted amount of $4,351,387 in 2006-07.

Apartment rates are forecast to increase by 3% in 2002-03 and are restricted under the Tenant Protection Act.

Conference Services

Most residences run conference operations. However, only Mississauga and Scarborough manage their conference operations as ancillaries separate from their residence operations. Both Mississauga and Scarborough meet all four objectives. There was no budget or long-range plan submitted for St. George as this operation has been discontinued.

Mississauga

A small surplus is expected in 2001 02 with a cumulative surplus balance from a forecasted level of $55,715 in 2002-03 to $134,814 by the end of 2006-07. Contributions to the College's operating budget will depend on the adequacy of the level of reserves.

Scarborough

The 2002-03 budget and long range plan project annual net surpluses, which are expected to grow to an accumulated surplus of $262,659 by the end of 2006-07 with contributions to the residence ancillary expected to continue until 2005-06.

Despite additional enrolment and trimestering, it is expected that there will be excess capacity in residence during the summer months that should provide the opportunity for increased revenues.

Food and Beverage Services

Mississauga and the St. George Food and Beverage operations met all four objectives within the 2001-02 year. The other operations met the first three objectives.

In addition to determining the adequacy of the level of reserves, SARG agreed that it is necessary to work out a model whereby the owners of various ancillaries could combine into larger units, their combined ancillaries now reporting to them. Examples (templates/matrices) from national and/or provincial ancillaries associations will be reviewed and an ancillary structure with appropriate policies drafted and reviewed with colleges and other ancillary owners before the start of the next planning cycle.

Mississauga

The 2002-03 budget and long range plan project annual net surpluses. The cumulative surplus balance is projected to increase from a forecasted level of $183,419 in 2001-02 to $265,819 by the end of 2006-07.

Scarborough

The 2002-03 budget and long range plan project modest annual net operating surpluses which are expected to grow to an accumulated surplus position of $78,876 by the end of 2006-2007.

The current food service contract with existing contractors is scheduled to end this summer. Existing facilities fall below needs and large-scale renovation is being considered for the summer of 2003, with capital investment a factor in the RFP currently underway and expected to be finalized by May 2002. It is anticipated that funding from the College and the increased revenues from the ancillary as a result of increased enrolment will supplement the capital investment expected from the successful contractor.

St. George

This has been a good year for this ancillary with the addition of food outlets and the renovation of others. Plans for expansion include a kiosk in the BCIT building and renovated facilities at Sidney Smith. This will reduce the capital renewal reserve balance from a forecasted $659,600 in 2001-02 to $173,400 at the end of 2002-03.

A decision will be made on the adequacy of the reserves for this and all other ancillaries before the beginning of the next planning cycle.

New College

The reserve balance is projected to be $724,222 by the end of 2006-07. The plan is to use these funds to finance the expanded food services that will be required as a result of the expansion of residences.

University College

Operating results for 2001-02 forecast a surplus of $280,403. The 2002-03 budget and long range plan project a cumulative surplus balance of $1,610,400 by the end of 2006-07. Plans to build a new residence will necessitate expanded food services.

Meal plan rates are forecasted to increase by 4% over the next three years with 2% increases in the last two years of the plan.

Parking Services

As for all ancillaries, attention will be paid to defining and maintaining appropriate reserves and the appropriateness of transfers to the operating fund.

St. George and Scarborough parking operations met the four objectives with Mississauga meeting the first objective.

Mississauga

In order to meet the requirements of the Master Plan and projected enrolment growth, the ancillary will need to provide more parking spaces without diminishing the green space on campus. Accordingly, an underground parking garage is going forward under the Communications, Culture and Information Technology Building. The capital cost will be financed by a mortgage.

Scarborough

This ancillary is projected to have a surplus balance of $431,000, with a cumulative balance in the capital renewal fund of $975,000 at the end of 2006-07,.

St. George

The ancillary continues to realize significant annual operating profits although substantially reduced from historical levels due to the cost of external financing required for the CIT parking garage. The recently purchased building at 500 University Avenue, resulted in approximately $150,000 of additional revenues. At the end of 2006-07, surplus balance is projected to be $9,363,218.

Annual permit price increases are projected in the long-range plan at inflationary levels of 2%.

Hart House

The second and third objectives are met by Hart House within the 2002-03 budget year. However, as a result of the transitional funding to facilitate the integration of the Hart House Theatre , Hart House does not meet the first objective. A review of the Hart House Theatre operation will be completed in three years and a decision made on whether or not to continue. Work is underway to generate an endowment to sustain the theatre.

The plan reflects proposed capital expenditures with both the student fee rate and senior member fee rate forecasted to increase by 3.5% in 2002-03.

Members of the Service Ancillary Group

Controller and Director of Financial Services	Sheila Brown
Vice-President, Business Affairs & CFO (Chair)	Felix Chee
Chief Administrative Officer, UTM	Paul Donoghue
Assistant Vice-Provost, Office of the Vice-Provost & AVP (Planning and Budget)	Marty England
Assistant Provost	Mary McGee
Associate Principal and CAO, Scarborough	Kim McLean
Assistant Vice-President, Operations and Services	Janice Oliver
Vice-Provost, Students	Ian Orchard
Vice-Provost	Ron Venter

***Co-opted members from University Affairs Board*:**

Residence Life Coordinator, Victoria College	Aisling Burke
Assistant Dean, Fac. of Physical Education and Health	Karen Lewis
Full-time Undergraduate Student	Geeta Yadav

Resource Staff:

Manager Financial Accounting	Lou Ranalli
Financial Accounting Analyst	Preetkamal Shahi
Assistant to the Vice-President Business Affairs & CFO	Deborah Simon-Edwards (Secretary)

Review and Consultative Process with Student/Local Committees and Councils

1. University of Toronto at Mississauga

Parking

Parking and Transportation Committee *Resource, Planning and Priorities Committee	College Affairs Committee College Council

Residences

Residence Council (including Residence Finance committee) College Affair Committee	College Council Resource, Planning and Priorities Committee

Food Services

College Affairs Committee College Council	Resource, Planning and Priorities Committee

2. University of Toronto at Scarborough

Parking

Planning & Budget Committee	**Council on Student Services

Residences

Student Village Council Planning & Budget Committee	Residences Advisory Committee **Council on Student Services

Food & Beverage Services

Food and Beverage Services Users' Committee **Council on Student Services	Planning & Budget Committee

Facilities Rental & Conference Services

Planning & Budget Committee

3. St. George Campus

Residences

Sir Daniel Wilson Residence Budget Committee
Whitney Hall Residence Budget Committee
Committee
Law Houses and Aboriginal House representatives
Graduate House Council (residents)

Residence Management Committee
University College Residence Council

New College Residence Budget

Innis Residence Committee
SGS Graduate House Governing Body

Food Services

Foods Services Committee
University College Residence Council Food Committee

4. Hart House

Finance Committee

Board of Stewards

All include student representation except *

**for information only

VPBA
Mar 8, 2002

SCHEDULE I

SUMMARY OF ANCILLARY LONG RANGE BUDGET RESULTS

OBJECTIVES:

Plans reflect (yes) or do not reflect (no) that the Ancillary:

1. Operates without a subsidy from the operating budget.
2. Includes all costs of capital renewal including deferred maintenance.
3. Generates sufficient surplus to cover operating contingencies.
4. Contributes net revenue to the operating budget.

	2002 - 2003							2006 - 2007		
	Objectives met within the 2002/03 Budget:				Projected cumulative surplus/(deficit) (Schedule II)	Projected investment in capital assets (Schedule II)	Commitments to Capital Renewal (Schedule III)	Projected cumulative surplus/(deficit) (Schedule IV)	Projected investment in capital assets (Schedule IV)	Commitments to Capital Renewal
Ancillary	1	2	3	4						
Residence Services										
Mississauga	yes	yes	no	no	54,489		752,340	(1,326,992)		1,312,440
Scarborough	yes	yes	yes	no	540,406		225,915	419,071		225,915
Innis College	yes	yes	yes	yes 81,287	344,569		1,258,000	386,603		1,862,000
New College	yes	yes	yes	yes 203,211	331,206		1,710,744	(274,380)		1,449,685
University College	yes	yes	yes	yes 125,000	1,439,415		997,739	2,193,168		1,066,227
Graduate House	no	yes	no	no	(676,513)		2,231,291	174,489		2,324,903
St. George Graduate Residen	Operations discontinued									
Family Housing Residence*	yes	yes	yes	no	699,803		1,035,000	4,351,389		3,105,000
*Annual Allocation to Trust Fund							3,687,516			1,744,761
Conference Services										
Mississauga	yes	yes	yes	yes 125,000	55,715			134,815		
Scarborough*	yes	yes	yes	yes	217,964			262,660		
St. George Campus	Operations discontinued									
Food & Beverage Services										
Mississauga	yes	yes	yes	yes 25,000	194,919			265,819		
Scarborough	yes	yes	yes	no	26,832			78,876		
St. George	yes	yes	yes	yes 200,000	97,598		173,400	366,346		833,000
New College	yes	yes	yes	no	208,597		89,579	310,630		724,222
University College	yes	yes	yes	no	709,938			1,610,401		
Parking										
Mississauga	yes	no	no	no	(186,461)			137,894		
Scarborough	yes	yes	yes	yes 150,000	276,031		247,000	431,414		975,000
St. George	yes	yes	yes	yes 1,097,848		12,207,611	365,099		9,363,218	881,787
Hart House	no	yes	yes	no	1,607,000		1,819,000	2,551,000		1,847,000
	Summary totals			2,007,346	5,941,508	12,207,611	14,592,623	12,073,203	9,363,218	19,251,940

* Scarborough Conference Ancillary is contributing $10,000 to Scarborough Residence Ancillary

SCHEDULE II

UNIVERSITY OF TORONTO
SERVICE ANCILLARY OPERATIONS BUDGET SUMMARY
PROJECTED OPERATING RESULTS AND CUMULATIVE SURPLUS FOR THE YEAR ENDING APRIL 30, 2003
(with comparative projected surplus for the year ending April 30, 2002)

	Income	Expenditures	Net operating results	Transfers and (increases)/ decreases to Commitments	Net increase (decrease) in surplus 2003	Net increase (decrease) in surplus 2002	Investment in capital assets & Cumulative surplus/(deficit) 2003	Investment in capital assets & Cumulative surplus/(deficit) 2002
RESIDENCES								
Mississauga	4,006,962	3,833,477	173,485	(133,200)	40,285	(6,324)	54,489	14,204
Scarborough	2,271,420	2,130,862	140,558	10,000	150,558	53,456	540,406	389,848
Innis College	2,382,190	2,227,798	154,392	(232,287)	(77,395)	(128,595)	344,569	422,464
New College	3,442,904	3,147,515	295,389	(184,112)	111,277	54,123	331,206	219,929
University College	2,360,488	3,431,687	(1,071,199)	843,488	(227,711)	(60,903)	1,439,415	1,667,126
Graduate House	2,914,915	2,851,134	63,781	46,597	110,378	(299,489)	(676,513)	(786,891)
Family Housing Residence	6,352,516	5,691,146	661,370	(35,970)	625,400	74,403	699,803	74,403
Total Residences	23,731,395	23,313,619	417,776	314,516	732,292	(313,329)	2,733,375	2,001,083
CONFERENCES								
Mississauga	1,038,972	908,447	130,525	(125,000)	5,525	(39,108)	55,715	50,190
Scarborough	427,344	405,702	21,642	(10,000)	11,642	37,149	217,964	206,322
St. George								
	1,466,316	1,314,149	152,167	(135,000)	17,167	(1,959)	273,679	256,512
FOOD & BEVERAGE SERVICES								
Mississauga	1,947,200	1,910,700	36,500	(25,000)	11,500	(19,598)	194,919	183,419
Scarborough	1,271,244	1,267,701	3,543		3,543	6,294	26,832	23,289
St. George	8,099,977	8,457,086	(357,109)	286,200	(70,909)	(92,195)	97,598	168,507
New College	2,618,418	2,551,555	66,863	(60,693)	6,169	42,072	208,597	202,428
University College	1,599,263	1,437,836	161,427		161,427	321,403	709,938	548,511
Total Food Services	15,536,102	15,624,878	(88,776)	200,507	111,730	257,976	1,237,884	1,126,154
PARKING								
Mississauga	1,090,990	1,313,565	(222,575)		(222,575)	(52,510)	(186,461)	36,114
Scarborough	979,237	749,916	229,321	(225,000)	4,321	2,560	276,031	271,710
St. George	4,938,494	4,401,225	537,269	(1,156,848)	(619,579)	(526,380)	12,207,311	12,827,190
Total Parking	7,008,721	6,464,706	544,015	(1,381,848)	(837,833)	(576,330)	12,297,181	13,135,014
HART HOUSE	10,291,000	10,856,000	(565,000)	401,000	(164,000)	(381,000)	1,607,000	1,771,000
TOTAL	58,033,534	57,573,352	460,182	(600,825)	(140,644)	(1,014,642)	18,149,119	18,289,763

SCHEDULE III

UNIVERSITY OF TORONTO
SERVICE ANCILLARY OPERATIONS BUDGET SUMMARY
PROJECTED FUNDS TO BE COMMITTED FOR CAPITAL RENEWAL
FOR THE YEAR ENDING APRIL 30, 2003

	Balance May 1, 2002	Capital renewa allowance	Planned expenditures	Net increase (decrease) in commitments to capital renewal	Transfers	Balance April 30, 2003
RESIDENCES						
Mississauga	619,140	677,650	544,450	133,200		752,340
Scarborough	225,915	390,543	390,543			225,915
Innis College	1,107,000	630,000	479,000	151,000		1,258,000
New College	1,729,843	565,000	584,099	(19,099)		1,710,744
University College	1,966,227	944,865	1,913,353	(968,488)		997,739
Graduate House	2,257,888	217,358	243,955	(26,597)		2,231,291
Family Housing Residence*	517,500	1,010,622	493,122	517,500		1,035,000
*Annual allocation to Trust Fund	4,169,046	600,000	1,081,530	(481,530)		3,687,516
Total Residences	12,592,559	5,036,038	5,730,052	(694,014)		11,898,545
CONFERENCES						
Mississauga		16,120	16,120			
Scarborough		8,641	8,641			
St George Campus						
Total Conference Services		24,761	24,761			
FOOD & BEVERAGE SERVICES						
Mississauga		68,300	68,300			
Scarborough		32,563	32,563			
St George Campus	659,600	400,827	887,027	(486,200)		173,400
New College	28,886	178,600	117,907	60,693		89,579
University College		26,718	26,718			
Total Food Services	688,486	707,008	1,132,515	(425,507)		262,979
PARKING						
Mississauga		922,114	922,114			
Scarborough	172,000	463,534	388,534	75,000		247,000
St George	306,099	350,000	291,000	59,000		365,099
Total Parking	478,099	1,735,648	1,601,648	134,000		612,099
HART HOUSE	2,038,000	1,781,000	2,000,000	(219,000)		1,819,000
TOTAL	15,797,144	9,268,335	10,472,856	(1,204,521)		14,592,623

UNIVERSITY OF TORONTO
SERVICE ANCILLARY OPERATIONS BUDGET SUMMARY
PROJECTED OPERATING RESULTS AND CUMULATIVE SURPLUS FOR THE PERIOD 2002/2003 TO 2006/2007

	2002/2003			2003/2004			2004/2005		
	Net operating results	Commitments and transfers of surplus	Investment in capital assets & cumulative surplus	Net operating results	Commitments and transfers of surplus	Investment in capital assets & cumulative surplus	Net operating results	Commitments and transfers of surplus	Investment in capital assets & cumulative surplus
RESIDENCES									
Mississauga	173,485	(133,200)	54,489	(171,701)	(135,900)	(253,112)	(426,737)	(138,600)	(818,449)
Scarborough	140,558	10,000	540,406	61,659	10,000	612,075	(248,904)	10,000	373,171
Innis College	154,392	(232,287)	344,569	268,950	(232,287)	381,242	211,473	(232,287)	360,428
New College	295,389	(184,112)	331,206	(425,731)	316,462	221,907	(719,532)	428,612	(69,013)
University College	(1,071,199)	843,488	1,439,415	(292,330)	339,146	1,436,261	809,322	(598,957)	1,696,626
Graduate House	33,781	46,597	(676,513)	161,119	26,597	(438,797)	219,743	26,597	(242,457)
Family Housing Residence	631,370	(35,970)	699,803	767,326	(34,339)	1,432,790	883,101	(32,676)	2,283,215
Total Residences	417,776	314,516	2,733,375	369,312	289,679	3,392,366	728,466	(537,311)	3,583,521
CONFERENCES									
Mississauga	130,525	(125,000)	55,715	127,439	(125,000)	58,154	142,855	(125,000)	76,009
Scarborough	21,642	(10,000)	217,964	10,703	(10,000)	218,667	18,378	(10,000)	227,045
St. George									
Total Conferences	152,167	(135,000)	273,679	138,142	(135,000)	276,821	161,233	(135,000)	303,054
FOOD & BEVERAGE SERVICES									
Mississauga	36,500	(25,000)	194,919	41,000	(25,000)	210,919	42,100	(25,000)	228,019
Scarborough	3,543		26,832	15,233		42,065	12,991		55,056
St. George	(357,109)	286,200	97,598	160,160	(164,900)	92,858	205,697	(164,900)	133,655
New College	66,863	(60,693)	208,597	173,110	(97,480)	284,227	177,611	(169,098)	292,740
University College	161,427		709,938	195,006		904,944	230,471		1,135,415
Total Food Services	(38,776)	200,507	1,237,884	584,509	(287,380)	1,535,013	668,870	(358,998)	1,844,885
PARKING									
Mississauga	(222,575)		(186,461)	483,376		296,915	(84,860)		212,055
Scarborough	229,321	(225,000)	276,031	(234,079)	92,000	133,952	551,628	(335,000)	350,580
St. George	537,269	(1,156,848)	12,207,611	599,645	(1,314,134)	11,493,122	664,938	(1,383,927)	10,774,133
Total Parking	544,015	(1,381,848)	12,297,181	848,942	(1,222,134)	11,923,989	1,131,706	(1,718,927)	11,336,768
HART HOUSE	(535,000)	401,000	1,607,000	(101,000)	168,000	1,674,000	255,000	(92,000)	1,837,000
TOTAL	430,182	(600,825)	18,149,119	1,839,905	(1,186,835)	18,802,189	2,945,275	(2,842,236)	18,905,228

UNIVERSITY OF TORONTO
SERVICE ANCILLARY OPERATIONS BUDGET SUMMARY
PROJECTED OPERATING RESULTS AND CUMULATIVE SURPLUS FOR THE PERIOD 2002/2003 TO 2006/2007

	2005/2006			2006/2007		
	Net operating results	Commitments and transfers of surplus	Investment in capital assets & cumulative surplus	Net operating results	Commitments and transfers of surplus	Investment in capital assets & cumulative surplus
RESIDENCES						
Mississauga	(221,579)	(141,400)	(1,181,428)	(1,364)	(144,200)	(1,326,992)
Scarborough	(71,353)	10,000	311,818	107,253		419,071
Innis College	240,161	(232,287)	368,302	250,588	(232,287)	386,603
New College	(633,514)	434,541	(267,986)	(488,314)	481,920	(274,380)
University College	827,145	(591,925)	1,931,846	878,074	(616,752)	2,193,168
Graduate House	263,073	26,597	47,213	300,679	(173,403)	174,489
Family Housing Residence	1,002,566	(30,980)	3,254,801	1,125,837	(29,249)	4,351,389
Total Residences	1,406,499	(525,454)	4,464,566	2,172,753	(713,971)	5,923,348
CONFERENCES						
Mississauga	150,421	(125,000)	101,430	158,385	(125,000)	134,815
Scarborough	24,776	(10,000)	241,821	20,839		262,660
St. George						
Total Conferences	175,197	(135,000)	343,251	179,224	(125,000)	397,475
FOOD & BEVERAGE SERVICES						
Mississauga	43,300	(25,000)	246,319	44,500	(25,000)	265,819
Scarborough	12,060		67,116	11,760		78,876
St. George	229,305	(164,900)	198,060	333,186	(164,900)	366,346
New College	189,543	(180,754)	301,529	196,412	(187,311)	310,630
University College	235,122		1,370,537	239,864		1,610,401
Total Food Services	709,330	(370,654)	2,183,561	825,722	(377,211)	2,632,072
PARKING						
Mississauga	(20,307)		191,748	(53,854)		137,894
Scarborough	589,928	(545,000)	395,508	625,906	(590,000)	431,414
St. George	772,549	(1,489,784)	10,056,898	898,990	(1,592,670)	9,363,218
Total Parking	1,342,170	(2,034,784)	10,644,154	1,471,042	(2,182,670)	9,932,526
HART HOUSE	283,000	10,000	2,130,000	317,000	104,000	2,551,000
TOTAL	3,916,196	(3,055,892)	19,765,532	4,965,741	(3,294,852)	21,436,421

SCHEDULE V

UNIVERSITY OF TORONTO
SERVICE ANCILLARY OPERATIONS
SUMMARY OF 2002-2003 CAPITAL BUDGETS
(with comparative figures for 2001-2002)

	2002-03	2001-02
RESIDENCES		
New College	904,500	402,500
Scarborcugh	-	500,000
Graduate House	230,000	-
Total Residences	1,134,500	902,500
CONFERENCES		
Scarborcugh	5,000	5,000
	5,000	5,000
FOOD & BEVERAGE SERVICES		
Mississauga	10,000	10,000
Scarborough	37,500	16,691
St. George	51,000	65,500
Total Food Services	98,500	92,191
PARKING		
Mississauga	80,000	35,000
Scarborough	87,500	45,000
St. George	112,450	84,900
Total Parking	279,950	164,900
HART HOUSE	650,000	500,000
TOTAL	2,167,950	1,664,591

SCHEDULE OF 2002-2003 ANCILLARY RATES

	2001/02 RATE $	2002/03 RATE $	INCREASE $	INCREASE %	PRIOR YEAR'S INCREASE %
PARKING					
St. George Parking					
Reserved Permit - annual	1,590.00	1,621.80	31.80	2.0%	10.0%
Block Reserved - annual	1,272.00	1,297.20	25.20	2.0%	10.0%
Non Reserved Permit - annual	951.60	970.80	19.20	2.0%	10.0%
Daily	13.00	14.00	1.00	7.7%	0.0%
Mississauga					
Reserved Permit - annual	305.00	375.00	70.00	23.0%	5.9%
Non Reserved Permit - annual	251.00	299.00	48.00	19.1%	5.9%
Reserved Permit - lot 4b (new lot)	-	251.00	-	0.0%	n/a
Non Reserved - afternoon - annual	183.50	220.20	36.70	20.0%	6.1%
Daily	4.25 - 6.75	8.00	0.25 - 0.5	6.3% - 8.00%	6.3% - 8.00%
Scarborough					
Inner Lot:					
Annual	330.00	412.50	82.50	25.0%	0.0%
Residence (September - August)	286.96	358.70	71.74	25.0%	42.0%
Residence - Summer and Fall Winter Evening	143.48 - 165.00	179.35 - 206.25	42.27 - 55.31	25.0%	42.0% - 50.0%
Daily	5.00		-	0.0%	0.0%
Outer Lot:					
Annual	230.00	287.50	57.50	25.0%	3.0%
Summer & Fall/Winter Evening	115.00	143.75	36.12	25.0%	40.0%
Evening - flat rate	4.00	8.00	4.00	100.0%	0.0%
Daily	5.00	10.00	5.00	100.0%	0.0%
FOOD SERVICE					
University College					
Plan A*	2,900.00 *	3,016.00	116.00	4.0%	4.0%
Plan B*	2,700.00 *	2,808.00	108.00	4.0%	4.0%
*In FY2002 a lower rate was charged in comparison to SARG approved rate of; $3,212 -plan A and $2,880-plan B; change approved by the local committee					
New College					
19 Meal (plan discontinued)	2,993.00	n/a	n/a	n/a	5.9%
17 Meal (plan discontinued)	3,130.00	n/a	n/a	n/a	5.9%
15 Meal	new plan	3,100.00	n/a	n/a	n/a
12 Meal	new plan	3,100.00	n/a	n/a	n/a
330 Meal	2,925.00	3,100.00	175.00	6.0%	5.9%
Room and Carte Blanche	3,119.00	3,200.00	81.00	2.6%	4.5%
RESIDENCES					
St. George Campus					
Grad. House Res/month/Sgl - regular	565.00	582.00	17.00	3.0%	9.7%
Grad. House Res/month/Dbl	430.00	443.00	13.00	3.0%	7.5%
Grad. House Res/month/Sgl - premium	630.00	649.00	19.00	3.0%	9.6%
Grad. House Res/month/ - single in small suites	545.00	561.00	16.00	2.9%	9.4%
Grad. Residence/month-Deficient Single*	525.00	541.00	16.00	3.0%	n/a
Grad. Residence/month-Deficient Double*	400.00	412.00	12.00	3.0%	n/a
Grad. House Res/month/ - single in smallest suites	500.00	515.00	15.00	3.0%	9.0%
*These plans were not submitted for FY2002					
University College*	3,600.00	3,888.00	288.00	8.0%	4.0%
*FY2002 rate changed from $3,592 to $3,600 change approved by the local committee					
Innis College - Winter	3,960.00	4,360.00	400.00	10.1%	3.6%
Innis College - Summer	1,904.00	2,200.00	296.00	15.5%	0.0%
New College:					
New College - Winter (a)	3,610.00	3,791.00	181.00	5.0%	3.3%
New College - Winter Bunk-double (b)	3,320.00	-	-	n/a	3.3%
New College - Carte Blanche	3,320.00	3,486.00	166.00	5.0%	3.3%
New College - Summer/Single	1480.00 - 2095.00	1946.00 - 2250.00	466.00 - 155.00	7.4% - 31.5%	2.0% - 27.0%
New College - Summer/Twin	1330.00 - 1895.00	1791.00 - 2000.00	30.00 - 395.00	5.5% - 34.7%	2.0% - 26.0%

(a) - Regular room and 19 & 17 meal plan are discontinued for FY2002-03 and are replaced with; Regular room and 15, 12, 330 meal plan
(b) - Bunk-doubles; Room and 19 & 17 meal plan are discontinued for FY2002-03 and are replaced with; Regular room and 15, 12, 330 meal plan

Family Housing* (New Ancillary):					
Bachelor	512.00	527.00	15.00	2.9%	n/a
1 bedroom (standard)	633.00	652.00	19.00	3.0%	n/a
1 bedroom	645.00	664.00	19.00	2.9%	n/a
1 bedroom	671.00	691.00	20.00	3.0%	n/a
1 bedroom	687.00	708.00	21.00	3.1%	n/a
2 bedroom (standard)	838.00	863.00	25.00	3.0%	n/a

*Rates for FY2001/02 are as of August 2001

SCHEDULE OF 2002-2003 ANCILLARY RATES

	2001/02 RATE $	2002/03 RATE $	INCREASE $	INCREASE %	PRIOR YEAR'S INCREASE %
Mississauga					
Phase 1 to 4, 6 & 7					
First Year (Winter 8 months) New Students	4,100.00	4,200.00	100.00	2.4%	13.9%
Second Year*	3,600.00 *	4,100.00	500.00	13.9%	15.6%
Seniors**	3,400.00	n/a			13.3%
Seniors - 4th year	3,200.00	3,600.00	400.00	12.5%	6.7%
Phase 5/month:					
Family Units/month	760.00	775.00	15.00	2.0%	1.3%
Phase 1/month:					
4 person house	785.00 *	790.00	5.00	0.6%	0.6%
6 person house	800.00	810.00	10.00	1.3%	0.6%
Bachelors/month:					
small**	475.00	n/a	-		5.6%
large**	500.00	n/a	-		5.3%

* Rate charged is different from approved SARG budget rate - change approved by local committee, rates are approved in November 2001 after the SARG budget process

** The ancillary has decided to use a simplified and summarized format that was used prior to FY2001/02 Budget process

	2001/02 RATE $	2002/03 RATE $	INCREASE $	INCREASE %	PRIOR YEAR'S INCREASE %
Scarborough					
Winter					
Single - 1st year students	3,468.00	3,988.00	520.00	15.0%	5.0%
Single - returning students	3,468.00	3,711.00	243.00	7.0%	5.0%
Shared - 1st year students	2,568.00	2,953.00	385.00	15.0%	7.0%
Shared - returning students	2,568.00	2,748.00	180.00	7.0%	5.0%
Premium - discontinued	4,818.00	-	(4,818.00)	-100.0%	5.0%
Summer					
Option A	1,339.00	1,433.00	94.00	7.0%	5.0%

* FY2003 rate structure changed with the approval of local committee

	2001/02 RATE $	2002/03 RATE $	INCREASE $	INCREASE %	PRIOR YEAR'S INCREASE %
HART HOUSE					
St. George Full Time	118.53	122.68	4.15	3.5%	0.5%
St. George Part Time	35.56	36.80	1.24	3.5%	0.5%
St. George Summer	35.39	35.56	0.17	0.5%	-1.4%
Scarborough & Erindale	1.11 - 3.59	1.15 - 3.72	.04 - .13	3.6%	0.8%

UNIVERSITY OF TORONTO

SERVICE ANCILLARIES

Operating Plans 2002-2003 to 2006-2007

Management Reports

1. Mississauga Residence Service
2. Scarborough Student Housing & Residence Life
3. New College Residences
4. Innis College Residence
5. University College Residence
6. Graduate House
7. St George Family Housing
8. Mississauga Conference Service
9. Scarborough Facilities Rental and Conference Service
10. Mississauga Food Service
11. Scarborough Food & Beverage Service
12. St. George Campus Food & Beverage Service
13. New College Food Service
14. University College Food Service
15. Mississauga Parking
16. Scarborough Parking
17. St. George Campus Parking
18. Hart House

University of Toronto at Mississauga
Residence Services
Operating Plan 2002-3 to 2006-7

Management Report

(a) Overview of Mission, Programs and Services

Objectives

- To provide students in residence with a unique living environment that supports the educational mission of the institution by encouraging respect for study, intellectual discussion and academic achievement
- To provide clean, comfortable, affordable, well-maintained and safe buildings
- To facilitate the transition from home to independence by providing appropriate resources to support the development of the emotionally, socially and academically maturing student through educational programmes, guidance, counseling and discipline
- To meet all financial objectives and produce a fiscally responsible budget and actual results on an ongoing basis

Service

Presently, there are 237 housing units in Phases 1 to 5. These are townhouse units. Phase 6 provides 192 beds in apartment style units. The construction of Phase 7 has begun and will provide 197 beds in apartment style units. It is scheduled to open in September 2003.

Maintenance

Maintenance expenses include building, equipment and furnishings expenses such as drapes, painting, roofs and carpets. An ongoing major building and equipment maintenance program ensures that major problems are avoided and there continues to be no deferred maintenance.

(b) 2001-2 Operating plan and experience

Revenues are expected to be approximately $3,000 less than the original budget. This is due to (1) higher residence dues for the regular session and (2) lower commission and other income. Residence dues for the regular session are expected to be about $24,000 higher than the original budget since we accommodated more first year students and fewer second and third year students (whose rates are lower than those for first year students) than originally budgeted. Commission and other income will be approximately $30,000 lower than budget. This is due to (1) lower revenue from coin laundry and (2) a change in the way we record payments by residents for hydro for Phase 1 residents. Residents in family and graduate housing are required to pay for hydro. We used to record these payments as commission and other income. We now net these payments against the utilities expense.

Total expenses are expected to be approximately the same as the original budget. Salaries, wages and benefits are slightly higher than originally planned due to an increase in student help, salary increases and an increase in the benefits rate. Supplies are $25,000 less than budget due to an overestimation of supplies that would be required for the year in the original budget. Equipment and furnishings expense is expected to be $21,000 above original budget due to upholstery charges for recovering chairs. Non-depreciable equipment is expected to be about $41,300 higher than budget due to (1) the purchase of outdoor benches for Phase 6 and (2) the replacement of air conditioning condenser units at Colman House. Annual maintenance is expected to be about $65,000 higher than budget due to higher than planned costs for painting and landscaping. Major maintenance is expected to be $78,000 higher than budget due to the conversion of a few more houses into bachelor units. Utilities expense is expected to be about $68,000 less than budget. This is mainly due to an over-estimation of this cost in the original budget. Also, the netting of the hydro recovery from Phase 1 with the utility expense caused a slight decrease in the forecasted utilities expense. Effective May 1, 2002, recoveries will be recorded as revenues so that the total utilities cost will be clear and more comparable. Insurance expense will be lower than original budget due to the collection of an insurance claim. Other operating expenses are expected to be about $100,000 less than budget due to the fact that a provision originally planned for various miscellaneous expenses was not required.

The operating result for 2001-2, after the increase in commitment to capital reserve, is expected to be a deficit approximately $6,300, compared to a budgeted deficit of $3,479.

This will result in an accumulated surplus of about $14,200, in addition to the maintenance reserve of $619,140 by April 30, 2002. The maintenance reserve is sufficient to provide for unforeseen requirements.

(c) 2002-3 Budget

Total revenue is expected to increase approximately $158,000 higher than 2001-2. This is mainly due to Residence Dues – Regular Session. These dues will increase because of price increases as outlined in Schedule 6. The price increases range from 1% for Phase V (Family and Graduate housing) to 14% for returning freshmen.

Expenses will increase by approximately $110,000. This is mainly due to increases in utilities and other operating expenses, as well as inflationary increases in most expenses.

The operating result after commitments is expected to be $40,285.

Residence rates
The rate for first year students will be $4,200. This is an increase of 2% over the 2001-2 first year student rate of $4,100.

The rate for first year returning students will be increased 14% from $3,600 to $4,100. This means that a particular student who was a freshman in 2001-2 will pay the same fee of $4,100 when they return to residence for their second year. The proposed rate for family units is $765 per month, an increase of 1%.

(d) Categories of Users and Accessibility
Erindale residences currently provide accommodation for undergraduates and graduate students and their families. During the summer, the facilities are also used for conference services to generate additional revenue. The residences include some wheelchair accessible units.

(e) Long Range Plan: 2003-4 to 2006-7
Information for all years until 2010-11 has been included because of the significant effect of Phase 7.

Phase 7 is scheduled to open in September 2003. The projected results of Phase 7 are shown separately and combined with the other Phases for 2003-4 and future years.

The ancillary produces a positive operating result in 2007-8 and a positive surplus balance in 2010-11.

Rates are generally expected to increase at a rate of 5% during the period 2003-4 to 2006-7. The rate for Phase 7 is expected to start at $4,300 in 2003-4.

Expenses are generally projected to increase at an average rate of 2% per year, except for mortgage and interest costs, which actually decrease in 2007-8 as some mortgages are paid off.

The annual commitment to capital renewal will grow annually, to reach $147,100 by 2007-8.

The operating results after commitments are losses each year from 2003-4 to 2006-7, due to Phase 7.

The accumulated surplus will become a deficit until 2009-10.

(f) Capital initiatives, planning and funding

Schedule 5 outlines the ancillary's projected capital expenditures over the next five years. Since all planned expenditures relate to the replacement of existing equipment and furnishings, there are no planned expenditures that will be capitalized and depreciated. All expenditures will be immediately expensed in line with the University's policy regarding replacement of original complement.

The ancillary does not benefit from any operating fund subsidies. There is no deferred maintenance. Requirements for renewal of capital equipment have been addressed in the operating plan.

UTSC

Budget 2002-03 and Five Year Plan

- SARG Schedules 1A, 1B, 2, 3, 6
  - Management Detail Report
    - Management Report

Student Housing and Residence Life
University of Toronto at Scarborough
1265 Military Trail, Toronto, Ontario
M1C 1A4

January 15, 2002

University of Toronto at Scarborough
Student Housing and Residence Life
Operating Plan 2002-03 to 2006-07

MANAGEMENT REPORT

A) Overview of Mission, Programmes, and Services

Mission:

- To provide residence students with a 'living and learning' environment that supports the academic mission of the University of Toronto at Scarborough.
- To provide affordable, safe, clean, and well-maintained accommodation
- To build a community that is understanding and respectful of its members regardless of differences in opinion, culture, religion, disability, or sexual orientation.
- To meet all financial objectives and produce a budget that ensures the growth and success of the department while being responsible to the financial constraints of our student population.

Programmes and Services:

Student Housing and Residence Life at the University of Toronto at Scarborough consists of 536 beds in 114 townhouses. Five houses are specially designed to meet the needs of students with disabilities. At present, we are planning the construction of a new, apartment style residence building with 49 units containing 201 rooms. Upon completion this would bring our residence capacity to 737.

The Director, Residence Life Coordinator, Residence Dons, Student Village Council, Links, and Academic mentors work together to develop an array of academic, social, and recreational programs and services that help support the academic and personal growth of resident students. The Student Housing and Residence Life office works hard to effectively integrate itself within the myriad of Student Services available on campus.

An ongoing building maintenance program ensures that all facilities and equipment receive regular upgrades or replacements. This includes building furnishings, painting, carpeting, and roofing.

B) 2001/02 Operating Plan and Experience

The operating result for 2001/02 is forecast to generate a surplus of $43,456 compared to the budgeted deficit of $4,699. This will increase the surplus to $615,763.

Revenue forecasted at $2,074,535 is expected to be $31,520 above budget and is due to: (i) un-budgeted collection of ResNet fees ($27,520), (ii) higher than budgeted summer session fees $14,261, 9.4%, due to an occupancy rate of 80% up from 75% used for the budget and (iii) the transfer from Hospitality and Retail Services was $8,030 higher than budget, representing an increase in summer accommodation activity.

Total forecasted expenses of $2,031,079 are $16,684 higher than budget. This increase is due to the unplanned purchase of additional fridges ($5,500), computer lease renewals ($2,500), additional office equipment ($2,000) the lease of a new photocopier ($2,000), and software upgrade to our database.

C) 2002/03 Operating Plan and Experience

The operating result after commitments is expected to be $140,559.

Revenue:

Total revenue is expected to increase by $196,885 over 2001/02 with increases in Residence Fees – Winter Session accounting for $119,091 of that due to an across the board 15% increase for first year students and a 7% rate increase for all upper year students. We have maintained a projected occupancy rate of 97% for the winter and 80% for the summer. As the summer academic plan of the College has a direct impact on the number of students who require accommodation, summer forecasts are conservative.

Expenses:

Total expenses are forecast to increase by approximately $99,783. The change in expenditures can be attributed to increases in Annual Maintenance of $23,430, Major Maintenance of $40,400 and Replacement of Non-Depreciable Items of $21,500. In the 2002/03 fiscal the SHRL office will be undergoing a massive renovation of Phase I (our oldest residences) including new kitchen cupboards, bathroom and kitchen flooring, painting, and re-finishing of furniture. We are also planning to purchase a small maintenance vehicle in order to assist in the removal of garbage and recycling and transporting furniture between Phases. Other increases occur due to a 2% projected inflation rate in a number of expenditure lines.

Residence Rates

Residence rates for all winter session rooms have been set to increase by 15% for first year students and 7% for upper year students.

First year students will pay $3,988 for a single room and $2,953 for a shared room. Upper year students will pay $2,748 for a shared room and $3,711 for a single room. Summer Session rates will increase to $1,432. This increase above the rate of inflation is to bring our rates in line with the local market as well as cover the costs associated with the residence card lock system and the development of Phase IV.

D) Categories for Users, Accessibility

The residences at the University of Toronto at Scarborough provide housing for single students. There are 5 townhouses that are specially designed to meet the needs of students with disabilities.

During the summer months, Phase 3 is used to house UTSC Summer Students while Phase I and II are used by Hospitality and Retail Services for summer programs.

E) The Current Long Range Plan

The operation is forecast to continue making contributions to the cumulative surplus until the start of the 2003/04 budget. At that point, the Student Housing and Residence Life budget will begin paying the mortgage costs associated with the opening of the Phase IV Residence. Please note that the SARG guidelines have been suspended until year 6 of the Phase IV project.

F) Capital Initiatives, Planning and Funding

The operating revenue for this ancillary is sufficient to support regular capital renewal for both building and equipment. We are undergoing a massive Capital project this summer that will see every front, rear, and storage room door in residence fitted with a card lock. At this point we are putting together the specifications and will be developing an RFP that will be issued in the early spring 2002. We hope to have the card locks installed this summer.

As well, we are currently beginning the tendering process for the Phase IV residence. Our timeline shows construction commencing in early February 2002.

NEW COLLEGE
RESIDENCE OPERATIONS
OPERATING PLAN FOR 2002-2003 to 2006-2007

MANAGEMENT REPORT

(A) OVERVIEW OF MISSION, PROGRAMS AND SERVICES

NEW COLLEGE STATEMENT OF PURPOSE

New College is committed to the provision of the highest quality of academic support, interdisciplinary programs, facilities for learning, and residential accommodation, in ways that will promote and foster diversity and equity for all students, faculty, staff and alumni of New College both within and beyond the University of Toronto.

OBJECTIVES

The objectives of the New College ancillary operations are to:

1. To provide students of various faculties with a living space that encourages and promotes academic, social and personal development within clean, safe and accessible buildings, with an emphasis on personal counselling and careful monitoring of student welfare.

2. To maintain the College's long-standing commitment to diversity and equity in the operation of its residence.

3. To use the residence facilities in the summer to generate net revenues that will supplement the College's operating budget, by housing summer students, groups, and participants in conferences and summer educational programs.

PRODUCTS/SERVICES

The residents of New College are housed in two linked buildings, Wetmore Hall and Wilson Hall. The dormitory design favours community living and the provision of air-conditioning is an added amenity for summer residents. Residence programs are run by the Dean of Students with the assistance of a number of Dons who foster an active intellectual and cultural environment within each "house" of fifty or so students in collaboration with a Residence Council composed of student representatives.

The budget was prepared after a thorough consultation with College constituents and with input from Facilities and Services. It was adopted by the New College Priority, Planning and Budget Committee and recommended fee increases were approved by the New College Council. Both the Committee and the Council have student representation.

BUILDING AND EQUIPMENT MAINTENANCE

New College's buildings went into service in the late 1960's. Despite their age and a "24-hour, 365-day" operation, the buildings are in good repair and stand as a testimony to the pride that the individuals who maintain the building take in their work. The budget includes an ongoing plan to maintain and, where possible, improve the building and its furnishings. Mechanical and electrical maintenance plans are developed in conjunction with Facilities and Services.

(B) THE CURRENT YEAR'S OPERATING PLAN AND EXPERIENCE

The residence operations are forecasting an operating surplus of $369,750. This is $45,000 lower than budget. This is due primarily to lower than anticipated investment income given the significant decrease in interest rates.

Summer residence fee revenues were $30,800 higher than anticipated in the budget. Summer residence business continues to be strong as in the past few years. Investment income is forecast to be approximately $101,800 under budget. All other revenue items are on target.

Overall, expenditure forecasts are slightly over budget (.6%). Full-time appointed staff salaries will come in $54,000 over budget given an unanticipated USWA "roll-over" and the creation of a full-time technician position to support the administration of the new residence network. Part-time salaries are expected to be on target ($4,500 over budget).

The decline in the price of natural gas has helped the residence see savings in the cost of utilities (an overall savings forecast of $17,000 compared to the budget). All major maintenance projects planned for during the current fiscal year will be completed. Overall, maintenance costs are expected to be slightly under budget ($6,000).

The College completed the wiring of the residence rooms for internet access during the summer. This capital project cost approximately $400,000 and will be amortized over a ten year period. To assist with the administration of the network (primarily regarding band-width limitation issues) the College has established a new full-time USWA position. The position of ResNet Technician has currently been posted.

(C) THE OPERATING PLAN FOR THE COMING YEAR

The budget for 2002/03 is projecting an operating surplus of $295,000 ($92,000 contributed by the winter residence operations and $203,000 from the summer).

Winter bed fees are to be increased by 5%. The upcoming year will be the last year for the 71 "bunk-doubles" located in Wilson Hall. The bunk-doubles will be eliminated when the new residence building is opened in the summer of 2003. These rooms were originally intended to be single rooms and are a significant factor in student attrition at the College. Combined room and meal rates will increase by approximately 4.6%.

While it is expected that the summer residence business will continue to grow (particularly the ESL program) over the foreseeable future, a higher than normal number of rooms will be out of service for major improvements and upgrades. Thus the projection for next summer's room fees has been lowered to $800,000.

Supplies and services have been increased by a 2% inflation factor; utility costs are based upon amounts provided to the College by Facilities and Services; and salaries are increased by a factor of 2.5% (the College has a mix of CUPE service workers, employees under the Steelworkers contract and "excluded" administrators). Utility costs reflect a 3.5% decrease in the cost of steam, an 11.3% increase for water and a 33.8% increase for electricity.

Capital renewal projects are based upon input from Facilities and Services (for electrical and mechanical projects). It is the College's plan to renovate and improve the existing residence rooms so the students living in them do not feel "like second class citizens" compared to those who will live in the new residence. As mentioned above, a number of rooms will be upgraded and improved during the summer (this will include new furniture, flooring, doors and card locks). It is anticipated that this project will be completed over the next three summers. In addition to the bedroom improvements, all of the common rooms will be upgraded during the summer of 2002 (new furniture, appliances and fixtures). Schedules 3 and 4 details the College's expenditure plans. Also, the schedule of major maintenance projects includes all required maintenance items. The College does not have any "deferred maintenance" items and the College is working on a series of multi-year maintenance cycles in light of the building audit.

The residence's intercom system is well beyond its useful life and is in desperate need for replacement. Rather than purchase a new intercom system, the College is working with the University's telecommunications services to develop a plan to provide local telephone services for the residents. A request for proposal will be issued in the near future for this project. It is expected that the phones will be installed during the summer. A cost estimate for budgeting purposes has been obtained and has been used as the capital cost estimate.

Depreciation expense has been increased to reflect of the internet connectivity capital project, the telephone equipment and the residence upgrades.

(D) CATEGORIES OF USERS AND ACCESSIBILITY

New College provides winter accommodation primarily to first-entry undergraduate students from all faculties. A small number of students from second-entry faculties continue to be housed.

In the summer the College provides accommodation for long-term summer visitors and offers short-term accommodation to a variety of groups and individuals. In addition, participants in the College's summer educational programs (international ESL and Elderhostel) are housed in the residence.

It is the College's plan to address one wheelchair access issue annually over the next few years until the buildings are entirely wheelchair accessible. The Wetmore dining hall was made wheelchair accessible during the current fiscal year. The College plans to make the Wilson dining hall accessible as part of the major cafeteria renovations that will take place over the next summer.

(E) THE CURRENT LONG-RANGE PLAN

The long-term budget projections take into consideration the construction of a new 277-bed residence that is scheduled to open in the summer of 2003. The net increase in beds will be 206 given the elimination of the "bunk-doubles". The budget figures reflect the assumptions that were included in the business plan that was approved by University governance. The project cost, as approved by the Business Board, is $23,400,000. The long-term budget projections have taken into consideration anticipated cost increases as a result of the tendering process.

The long-range plan assumes a 7% winter room rate increase for each of 2003/04 and 2004/05. After 04/05 the room rate increase assumptions return to those of the residence expansion business plan (5% annual rate increases from 2005/06 to 2007/08 and 3% annual increase thereafter).

The residence ancillary anticipates operating losses once the new residence opens. The University guidelines for the evaluation of residence construction required residence operations to break-even within five years after opening and to have a positive cumulative operating surplus by year eight. The College's project will meet these criteria. At no time will the total fund balance (including the capital renewal fund) be in a deficit position.

(F) CAPITAL INITIATIVES, PLANNING AND FUNDING

The winter residence operations are budgeted in such a manner that this ancillary operation pays for the major costs of operating the building (insurance, mortgage, and maintenance). The College believes that the winter residence should be self-supporting and not rely on the summer business or food services to cover essential costs.

Summer business net revenues are used to supplement the College's operating budget. In fiscal 2001/02 $260,000 will be transferred to the operating budget of the College. These funds will be used primarily for student service related activities such as student financial aid and library acquisitions.

Appropriate levels of administrative overhead (primarily salaries and benefits) are charged to the ancillaries based on percentage of time spent on each activity.

The Capital Renewal Reserve will be used to help fund the down payment on the cost of the expansion and the renovations to the existing residence.

INNIS COLLEGE
RESIDENCE ANCILLARY OPERATING PLAN
2001-2002 to 2006-2007

MANAGEMENT REPORT

OVERVIEW OF MISSION

OBJECTIVES

The Innis Residence continues to promote the goals and objectives of the University of Toronto and of Innis College, particularly its academic mission, by:

- providing the appropriate services, including guidance, counseling, and discipline, linkages to College and University services, facilitating the transition of students to an independent lifestyle, and fostering their intellectual and social maturity;
- supporting the multi-faculty mandate of the College by accommodating students from both the Faculty of Arts and Science and the Faculty of Applied Science & Engineering, thereby forming the basis for a diverse and enriched student community;
- supporting the efforts of the University to recruit outstanding students by offering a clean, comfortable, affordable, well-maintained, and safe living environment that encourages respect for study, intellectual exchange, and academic achievement;
- providing a unique and enriching living experience, which recognizes and respects diversity, equality, and freedom of choice in accordance with the long-standing principles of the College community.

SERVICES

The Innis Residence has a total of 339 beds in 81 suites. Of the 81suites, 48 are in a four-bedroom configuration, 27 in a five-bedroom configuration, and 6 in a two-bedroom configuration.

The Residence has a 10 member Residence Life Staff: 6 Residence Assistants, 3 Dons and a Residence Life Coordinator (the RLC position was changed from a part-time appointment to full-time in 2001-02). This team provides support and services to both students living in the Residence and off-campus Innis College students. In addition to counseling, mentoring and support service, the Residence Life team presented a number of very successful sessions in the Residence in 2001-02. Topics covered included: "Nutrition and Personal Health", "Studying Abroad", "Stress Management" and "Sex and Dating in the 21st Century". These sessions were well attended by both Residence and commuter students.

An elected student Residence Council continues to provide representation for the students in the Residence (e.g., residence orientation, guest policies). The Residence Committee of Innis College Council continues to be responsible for policies which affect the Residence (e.g., admissions) and monitors, on behalf of the College, the overall effectiveness of the Residence in achieving its objectives. The Residence's budget and financial plans are discussed in both forums.

BUILDING AND EQUIPMENT MAINTENANCE

In 2001-02 the Residence contracted an outside consultant, Carson Dunlop Weldon and Associates Ltd., to assess the state and condition of the Residence's capital assets and develop a 30-year capital reserve plan. Overall the consultant's findings were very positive, reaffirming the Residence's approach to maintenance and upgrades. The program of "quick response" described in previous years' management reports continues to be effective in preventing small maintenance problems from escalating. The Residence has no deferred maintenance and the expected upcoming major maintenance projects and capital replacements can be handled by the operating budget.

During the current fiscal year, the major maintenance issues dealt with included interior painting (suites, laundry rooms, and hallways), repairing washroom walls and repairing kitchen counters. Last year's SARG submission included an upgrade of the Residence's computer based lock system. This is no longer considered a necessary upgrade within the next five years. Additional projects identified by the building consultants include asphalt re-paving and replacement of mechanical room fans.

CURRENT YEAR'S OPERATING PLAN AND EXPERIENCE

For 2001-02, the Residence is forecasted to have a modest operating surplus of $34,882. This is about $14,991 higher than the amount originally budgeted ($19,891). The major contributors to this positive variance were lower major maintenance expenditures and lower than anticipated utility costs.

THE OPERATING PLAN FOR THE COMING YEAR

The net operating result for 2002-03 (i.e. excluding the commitment to the major maintenance reserve) is budgeted to be $154,392. This will allow the Residence to make its annual $151,000 allocation to its capital reserve. Based on the experiences of previous summers, the Residence has not been meeting the demand for long-term summer accommodations. Due to this potential and because of the higher operating costs of conference and short-term rentals, the Residence will focus entirely on long-term accommodations during the summer. For the 2002 summer session, the Residence will devote over 300 rooms to students and other long-term customers, while no rooms will be allocated to conference or short-term guests. Approximately 10% of the Residence's capacity will be unavailable in the summer in order to schedule maintenance projects and upgrades.

RESIDENCE RATES

Winter room rates for 2002-03 have been set at $4,360, a 10.1% increase over last year's rates. This reflects a projected overall inflationary increases, of 2%, an increase of 1.1% to cover the declining value of the MET bed subsidies, an increases in operating expenses and a need to build up the Residence's capital reserve. Summer rates have been raised to $2200 (15.5%) in order to bring them more in line with the winter rates.

CATEGORIES OF USERS ACCESSIBILITY

The Innis Residence provides accommodation for students throughout the year. During the summer months, the facilities are used for students to generate additional revenue. The building was designed to be completely accessible to persons with disabilities.

THE CURRENT LONG RANGE PLAN

The Residence expects to show a modest net operating surplus each year over the next 5 years. The Residence plans to continue to commit $151,000 a year to its capital reserve, mostly in anticipation of the needs of future residence expansion projects. The Residence is also expecting slower growth in summer income as more rooms are expected to be unavailable due to repairs and maintenance. In order to help soften the impact of rate increases, the Residence plans to contribute $125,000 to its needs-based scholarship fund (the "Taddle Creek Scholarship") over the next 5 years.

The Residence's current long-range plans include a yearly transfer of $56,287 to the College's operating budget. This amount was arrived at after consultation with the University's Comptroller's Office.

CAPITAL INITIATIVES, PLANNING AND FUNDING

The only capital initiatives that are currently planned in the period covered by the long-range plan are for the maintenance and refurbishing of the current Residence – no expansion is currently being planned for. However, it is expected that expansion options will present themselves in the next few years and the Residence plans on being prepared to respond accordingly. Long term financial planning for the Residence continues to be based on the following objectives:

- to replace and/or upgrade many of the Residence's original equipment and furnishings before their condition begins to negatively affect the quality of services the Residence provides;
- to maintain substantial major maintenance and operating reserves, while allocating some of the reserves to capital projects;
- to be in a net surplus position;
- to be fully funded through student fees when the MET subsidy expires in 2014;
- to build and maintain a successful summer business operation which can contribute to the College's operating budget;
- to maintain the building in good condition in order to minimize major maintenance and to sustain a 99% occupancy rate.

UNIVERSITY COLLEGE RESIDENCE ANCILLARY OPERATING PLAN 2002-03

University College is at the historic heart and geographic centre of the University of Toronto campus. The UC Residence ancillary plays a significant role in the quality of the experience that those University College students who live there share.

I. Overview of Mission, Services, and Facilities

University College Residence Objectives:

- To support the educational and academic aims of the University community by providing a secure and diverse residence environment where students have access to educational opportunities and social programs that foster both personal growth and academic success;
- To provide students with clean, comfortable, affordable, well-maintained and safe on-campus housing;
- Having attained the above objectives, to contribute net revenues to the College operating budget.

Programs and Services:

The University College Residence ancillary consists of 440 beds in two buildings, Sir Daniel Wilson and Whitney Hall. Both residences are co-ed and house mainly undergraduate Arts & Science students as well as some professional faculty students.

In addition University College has administrative responsibility for over 100 students housed in the off-campus residence affectionately known as Luker House, in honour of the Dean of Students.

Skilled residence staff – stewards, caretakers and dons – contributes in a variety of ways to ensure that students have an enjoyable and productive year. The dons administer the Code of Behaviour. They also provide peer counseling and arrange educational and social programs for the benefit of residents.

The Dean of Students meets regularly with the University College Residence Council, which is composed of student representatives from each residence house, to review management issues and to consider financial suggestions. The operating budget and rate changes are reviewed and approved by this Council.

Building and Equipment Maintenance:

The budget addresses the ongoing expenditures associated with furniture and equipment purchase and maintenance and for annual and major maintenance. Staff and student suggestions are incorporated through Council and committees. The University's Facilities and Services Department representatives provide annual input into the plans for utilities, annual and major maintenance, and the major maintenance schedule also includes repairs and improvements scheduled as a result of the facility audit reports.

During 2001-02 we met with Facilities and Services to reconcile the F&S maintenance schedules with the maintenance schedules recommended in the facility audit completed by the engineering consulting firm, Physical Planning Technologies Limited or PPT. Both the 1997-98 audit reports by PPA and the updated assessment completed in 2001-02 by PPT included detailed condition assessments of the fabric, mechanical and electrical components of the buildings that have been translated into one year, five year and twenty-five year maintenance schedules. On the basis of discussions with Facilities and Services and further review by engineering consultants, we continue to review our long-range plan for major maintenance to incorporate their recommendations.

The College has followed the ongoing program for building and equipment maintenance as outlined in the 1998 Long Range Plan and its revisions; thus, major problems have been avoided and there is no deferred maintenance.

II. 2001-02 Operating Plan and Experience

Operating results for 2001-02 are forecast to have a surplus after commitments of $105,097, or $121,788 higher than budget. Revenue at $2,330,391 is expected to be $142,661 over budget, as a result of an increase of $31,696 in winter session income and $78,960 increase in summer revenues.

Total direct expenses are expected to be approximately $1,132,910 lower than budget, with renovations totalling $1.1-million currently scheduled for the summer of 2002-03. The value of Dean and dons services has increased by $45,326 with the attribution of accommodation provided to a total of 2 additional Winter and 18 additional Summer staff. This increase was partially offset by savings of $18,837 in annual maintenance expenses.

The summer rental operation contributes $158,016, $57,580 more than budget, to the overall residence bottom line. As a low-cost downtown facility, the summer rental operation is near capacity.

III. 2002-03 Operating Plan

Revenue in 2002-03 has been conservatively budgeted at $2,360,488. Operating results for 2002-03 are budgeted to have a deficit after commitments of $102,711.

Expenses have been budgeted to be $3,431,687. This figure includes approximately $1,816,572 of annual and major maintenance and improvements projects that are scheduled to be completed, including plumbing and secondary electrical work in Whitney Hall estimated to total over $1,108,000.

The summer rental operation is expected to provide a net income of $39,057 to the overall residence bottom line. Scheduling of major maintenance and improvements projects during the summer months to minimize disruptions to students results in a reduction in summer revenue of $124,525 from 2001-02.

The balance in the Commitment to Capital Renewal reserve is projected to be $997,739 at the end of 2002-03. The operating reserve surplus is forecast to be $1,439,415 after allowing for the transfer of $125,000 to the College's operating budget.

IV. Residence Fees/Rates

Through the budget process the rates have been increased from $3600/bed to $3888/bed, an increase of $288/bed. The eight percent rate increase has been agreed as a result of inflation and the significant improvement projects planned.

V. Long Range Plan

In the five-year long-range plan, revenues are increased by eight percent for the first three years in order to recognize increased costs and increase contributions to the capital renewal fund, falling to the current inflation rate of two percent for the final two years. If the same overall assumptions are applied throughout the plan, the total fund balance at the end of 2006-07 will be $4,159,395. This fund balance will consist of $1,966,227 commitment to the Capital Renewal Reserve, and $2,193,168 in unappropriated surplus. The long range major maintenance lists for both Sir Daniel Wilson and Whitney Hall, including the plumbing and secondary electrical work in Whitney Hall in 2002-03 and the improvements related to First Safety Code for both buildings in the following year are manageable within the annual budgeting process. This also includes maintaining the annual transfer to the University College operating budget at $125,000.

University permission has been given for the construction of a 350 bed residence adjacent to our existing residences. The UC Residence Users Committee is continuing its work to develop the functional specifications for the new residence; however, City by-laws and the wider consultation process have yet to be completed. In this context University College will be developing a business plan for the new residence and incorporating in that plan renovations to the existing residences. The current facility audit by PPT will inform both the ongoing major maintenance scheduling and the renovation plans in that new, combined business plan.

Both the new residence and the renovations to the existing residences will be included as projects in the College's next Capital Fundraising Campaign.

VI. Capital

There are no capital requests for 2002-03.

18 January 2002

Graduate House Operating Plan 2002-2003 to 2006-2007
Management Report

A. Overview of Mission, Programs and Services

Graduate House is a 437-bed, suite-style residence operated by the School of Graduate Studies. It is home to both students from the School of Graduate Studies and students from six professional faculties (Dentistry, Law, Medicine, Nursing, OISE/UT, and Pharmacy). In managing the residence, the School of Graduate Studies is committed to providing its residents with an affordable and supportive environment conducive to both the pursuit of academic excellence and a fulfilling life. Graduate House exists as a community of scholars, and in addition to being a home to its residents; it is also a valuable recruitment tool — an investment in excellence in graduate education. Every year graduate departments and the professional faculties use 60 percent of all Graduate House spaces to attract the best students to the University of Toronto.

(i) Consultation with Residents

During the budget review process, informal information sessions were held with members of the Graduate House Council (elected resident body) and resident representatives to the 15-person Graduate House Governing Body. In addition, the Graduate House Governing Body met to review the submission in its entirety. The prevailing sentiment among residents was strongly opposed to occupancy fee increases of any sort, especially in light of the almost 10% increase introduced last year. The opinion among residents was that Graduate House has ceased to be affordable, and this was certainly reflected in the number of residents who gave notice immediately upon learning of last year's increase. However, there was also recognition of the need to be financially responsible. To that end, the Graduate House Governing Body adopted the following motion:

Preamble: The Graduate House Governing Body recognizes that Graduate House residents would prefer to see no change in occupancy fees, as they find that increased occupancy fees are incompatible with the twin goals of affordable housing and the recruitment of top-notch graduate/professional faculty students towards which Graduate House strives. The other increasing financial burdens students face further exacerbates this incompatibility. However,

Be It Resolved That: the Graduate House Governing Body appreciates the financial realities of the Graduate House residence and as such is willing to accept an occupancy fee increase of not greater than 3%.

B. Prior Year's Operating Plan and Experience

2001-2002 — Graduate House's first full year of operation — was fraught with many challenges including a restructuring of the Graduate House management in the spring. By October 2001 the positions of Manager and Warden had been merged into one, part-time post. Since the spring, all members of the Graduate House team have expended significant effort to introduce operating policies and procedures that are consistent with accepted University of Toronto practices. Many positive steps have been taken to improve both the administration of Graduate House, as well as the level of morale among the residents, and the quality of services offered them.

(i) Income

Graduate House met its 85% summer occupancy projection and is expected to exceed its 98% winter occupancy projection. However, its revenues in each of these periods will be $140,697 and $286,885 respectively less than budgeted. This shortfall is due to the fact that all occupancy fee and damage deposits (i.e. approximately $1200 per resident) collected in the previous fiscal year were incorrectly realized as revenue at that time. Consequently when it came time for residents to leave in the summer of 2001, their deposits were no longer available to be applied as earned revenue in the correct period. This situation also applied to those residents who stayed past last summer, and who were refunded both their occupancy fee and damage deposits, due to approved changes in the Graduate House Occupancy Agreement and the switch to ROSI, both of which took effect September 2001. This revenue shortfall is a one-time-only event and it will be partially offset by higher revenues from the guest rooms, the laundry service and the commercial properties. In the end, total revenues are expected to fall short of the budgeted amount by $368,570.

(ii) Expenses

Graduate House faced a number of one-time-only expenses related to the termination of the previous Manager. Graduate House also had to contend with over $46,000 in unpaid bills, outstanding from the previous fiscal year.

Furthermore there were a number of foreseeable expenses such as snow removal and grounds maintenance for which no monies had been budgeted, as well as other items such as garbage that had been seriously underestimated. There were also expenses stemming from the introduction of the Residence Advisor Program in August 2001. The Residence Advisor Program had not been conceived of at the time the budget was submitted last year, and was only made possible on a trial basis by grants from the Vice-Provost of Students and the School of Graduate Studies.

Graduate House's total operating expenses for 2001-02 are projected to come in under budget by $31,153.

(iii) Summary

The operating results after commitments for 2001-2002 are forecasted to be a deficit of $352,489 instead of a budgeted surplus of $67,659. When combined with the carry-forward operating loss from 2000-2001 of $487,402 and the $53,000 in transfers from the operating fund, the carry-forward operating results after commitments will stand at a deficit of $786,891 as of April 30, 2002. However, despite this year's revenue shortfall, this closing balance is still significantly better than the deficit of $893,935 that was projected in the 2001-2002 operating plan approved last year. Please note that the transfers from the operating fund consist of $20,000 from the Office of the Provost to partially fund the position of Graduate House Warden, as well as the previously unbudgeted, one-time-only grants of $22,000 from the Office of the Vice-Provost, Students and $11,000 from the School of Graduate Studies to fund the new Residence Advisor Program that began in August 2001.

C. 2002-2003 Operating Plan

In an effort to provide better support and services to our 437 residents, the Graduate House team has been expanded. In 2002-03 there will a team of two full-time administrative staff to look after the residence operation that will work in conjunction with the part-time, live-in Manager/Warden. There will also be two Entry Assistants, as well as a part-time student office clerk. Counseling and academic leadership services headed by the Manager/Warden will be expanded with the permanent addition of four part-time, live-in Residence Advisors. A $6,000 student activity fund will also be created to fund programming by the Residence Advisors, along with other student events.

Cleaning and maintenance services have been contracted out to Black & McDonald who provide Graduate House with a full-time Facility Supervisor and two full-time cleaners.

In addition to providing for the costs of annual maintenance, garbage and recycling, as well as the contribution towards the salary of our Property Manager, Graduate House is also planning to significantly increase the amount budgeted for snow removal and grounds maintenance so as to cover the costs of live pigeon traps. These traps are necessary to address a growing pigeon problem. A further $25,000 has also been budgeted for Major Maintenance for painting and window washing projects, as well as outside concrete repairs.

Depreciation expenses will grow to approximately $24,726 as a result of the Capital Expenditures planned for next year. These expenditures are necessary to resolve some of the many outstanding construction and design faults and omissions. In addition to these proposed improvements to Graduate House, it will also be necessary to spend $20,000 to replace Graduate House's 450+ defective mailbox locks.

For the commercial spaces, Graduate House recovers costs such as major building electrical, fabric and mechanical maintenance, F & S overhead, and grounds costs from the Real Estate Department. For financial reporting purposes, this cost recovery totaling approximately $3,780 per annum, will be netted against Annual Maintenance costs on a semi-annual basis.

For 2002-2003 we anticipate an operating surplus after commitments of $90,378.

D. Rate Schedule:

In 2001-2002 Graduate House residents experienced an extremely high rate increase of 9.6% on average. This resulted in a standard single room fee jumping from $515 to $565 per month. Due to outstanding deficiencies in construction, Graduate House had to adjust the rates charged for certain suites and to introduce two new categories of room rate, i.e. Deficient Single and Deficient Double. Also the rate for a Single in the Smallest Suite was further reduced from $525 to

$500 per month after it was determined that the suite had less than one-third the common living area found in other 4-person suites.

The plan approved in previous years has been to initially assign the monies that would normally be put aside for capital depreciation to pay down the start-up debt. This approach will allow the debt to be paid off within four years. By 2006-2007, the capital account will begin to increase to meet future capital needs. With this strategy, all residents, present and future, will pay their share of all costs associated with start-up and capital renewal. This will require fees to increase on average by 3.01% next year. This increase will result in a standard single room fee of $582 per month and a premium single room fee of $649 per month for 2002-2003. Together, these two types of room account for over 94% of the available accommodation at Graduate House.

(i) Market Rates

In terms of market comparability with other suite-style residence space on campus, Graduate House is already towards the high end of the scale. At the low end is Innis College with a current monthly rate for a standard single room of $500, as opposed to $565 at Graduate House. At the high end sits Victoria University. The current monthly rates for rooms in Rowell Jackman Hall (excluding meal plan) range from $533 to $670. The current monthly rates for rooms at Graduate House range from $430 to $630. We acknowledge that our proposed rate increase is less than most of the other residences; however, our per month rates are already higher than many of the other residences and to raise them any further would go against the University's policy of providing affordable housing and would result in a negative downgrading of occupancy assumptions. It would also hinder Graduate House's ability to serve as an effective recruitment tool used by the University to attract sought-after graduate and professional faculty students.

E. Long Range Plan:

In constructing this plan, variable expenditures were modeled to increase at a rate of 2% per year and fees by a rate of 3% per year over the medium term. Salaries, wages and benefit projections have been modeled to increase at a rate of 3% per year and projections related to annual maintenance, property management, fire protection, snow removal and grounds maintenance, as well as waste management and utilities are based directly on the five-year plan prepared by Facilities & Services.

Capital renewal of non-depreciable equipment and furnishings, along with major maintenance projects will be evaluated on a yearly basis in conjunction with Facilities and Services. Estimates for all currently proposed projects – both Major Maintenance and Capital Expenditures are very conservative and have been assembled in conjunction with Facilities and Services.

Graduate House will retire its cumulative deficit by 2005-06; one year earlier than was approved in last year's plan and the amount of $200,000 will be applied towards capital renewal in 2006-07. Beginning in 2007-08, $330,000 or 1.5% of the construction cost will be applied towards capital renewal. The rate of contribution to capital renewal will increase in subsequent years (i.e. $375,000 in 2008-09 and $425,000 in 2009-10). During the period from 2005-6 to 2009-10 a total contribution of $1,330,000 will be made towards capital renewal, as opposed to $1,080,000 for the same period as approved in last year's plan.

F. Capital Initiatives, Planning and Funding Capital Construction:

This year the amount of $14,300 was spent on furniture for the courtyard and the new Residence Advisor Program, a laptop for the Graduate House Office, and fire extinguishers for each kitchen in residents' suites – as required by the Fire Code.

Presently the School of Graduate Studies is working with Facilities and Services and the University to address identified deficiencies in both the original construction and the design of Graduate House. These deficiencies include, but are not limited to, poor lighting in bedrooms, the complete absence of humidification, and a shortage of automatic door openers necessary to make Graduate House sufficiently accessible. In 2002-03 a maximum of $230,000 will be spent fixing these problems.

ST. GEORGE CAMPUS FAMILY HOUSING RESIDENCE ANCILLARY OPERATING PLAN 2002-03 TO 2006-07 MANAGEMENT REPORT

A) Overview of Mission, Programs and Services

The St. George Campus Family Housing Residence Ancillary consists of 30 and 35 Charles Street West apartments. The University of Toronto purchased these 2 buildings in September 2001 from the Ontario Housing Corporation (OHC), who owned and operated them on a non-profit basis from 1969 to 2001. The Metro Toronto Housing Commission (MTHC) acted as the agent for OHC and provided the financial and facility management of the operation while the University, through the Housing Service, managed the admissions, continuing eligibility and community development aspects of the operation. As of September 2001 the University became the landlord as well. The financial and facility management is through Ancillary Services and the Housing Service continues to manage the admissions, continuing eligibility and community development, as well as having a more active role in the overall management. The day-to-day property management is provided through Greenwin Property Management, a contract that transferred to the University upon the sale of the buildings.

There are 710 apartment units in the 2 buildings with a population of approximately 2,000 women, men and children. There are several hundred children and approximately 65% of the students are international coming from over 60 different countries. Admission to the buildings is limited to full-time University of Toronto graduate and undergraduate student families. The term family refers to students residing with their dependent children and to childless couples, including same sex couples, in a permanent relationship. Students with a documented significant disability and students who are single parents are given special consideration. The tenancy is covered by the Tenant Protection Act (TPA).

The overall management of the ancillary is through a Management Board with representatives from Student Services and Operations and Services. As well, a Liaison Committee, consisting of the Management Board and the Tenants' Association Executive, meets a couple of times a year to review operations and the financial situation. A Joint Committee, comprised of representatives from Greenwin Property Management, Tenants' Association Executive, and representatives from the Housing Service and Ancillary Services, meets monthly. This Committee works to protect the collective interests of all tenants, improves maintenance, security and communication in the buildings, and fosters a sense of community through social activities.

B) 2001-02 Operating Plan and Experience

B) 2001-02 Operating Plan and Experience

University Affairs Board approved an interim operating budget for the St. George Campus Family Housing Residence Ancillary with expenses not to exceed $4.3 million for the 8 months ended April 30, 2002. The estimated budget was prepared based on 1999 information received from MTHC.

The forecast reflects the current experience from MTHC and U of T. The revenue is expected to be $4.0 million.

Expenses are estimated to be $3.3 million. This is $1.0 million lower than the budget. Fewer major maintenance projects were started than expected. The net operating result is anticipated to be $719,000.

The OHC/University agreement requires that annually $600,000 be allocated to a trust account and that expenditures for major maintenance and replacements can be funded through the trust account. In addition, $4.0 million was transferred from MTHC into this account. The net increase in the trust account this year is $128,000. This is after $600,000 is allocated and $459,000 for the elevator replacement and $13,000 for appliance replacements are paid for through the account. As a result the balance in the trust account at April 30, 2002 is expected to be $4.2 million. This fund can only be spent on major improvements for 30 and 35 Charles Street West apartments.

In addition to establishing the trust account a capital renewal account for Family Housing will set aside annually1.5% of the appraised value of $34 million. At this point a substantiated list of priorities is not available. So to ensure the funds are being set aside the capital renewal account is established at $517,000 per year until there is reliable information about the capital renewal requirements. Therefore the balance of the commitment to the capital renewal account at April 30, 2002 is expected to be $517,000.

After establishing the trust account and capital renewal fund balance of the net operating result will transfer to the unappropriated surplus in the amount of $74,000. The total of all 3 funds at April 30, 2002 is expected to be $4.8 million.

C) 2002-03 Operating Plan

The budget is based on the 2001-02 forecast. Revenue is expected to be $6.4 million and expenses will total $5.7 million with a net operating result of $661,000. As well, 3 reviews are underway to determine a plan for major maintenance and renewal over the next 5 or more years. A safety audit, space planning exercise and a review of the fabric and structure of the building will assist in establishing a 5 year plan. The safety audit will review personal and overall safety of the buildings and tenants' underground parking. This will include locks, security procedures, public space, etc. The space planning exercise will assist with determining the best location for some of the services that are important to the tenants. This includes bike storage, a dog run, and daycare. A consultant has been requested to review the fabric and structure of the building so that the major maintenance issues in the building can be placed in priority. All 3 reviews will then be combined and an agreed upon plan with the tenants' association will be developed over the next year. The University plans to begin implementation of some important items that do not require long lead-time in 2002-03. The new plan for the following 5 years will be reported next year at this time.

The rental rates will increase by 3%. All apartments are occupied. The rental increase is substantiated as many of the operational expenses are experiencing a 3% inflation rate. Utility increases are expected to be above 3%. Although there are savings from the property tax exemption the cost of the mortgage is about the same cost. The expenses reflect a full year's operation. At this time a solid plan is not in place but $1.0 million has been allocated to begin work on projects, such as painting all corridors and immediate safety and security issues for the buildings. Most of the appliances are more than 10 years old. So, a replacement plan over 10 years will begin in 2002-03. As well, other cyclical annual maintenance programs will be developed.

The net operating result at April 30, 2003 is expected to be $661,000. $600,000 will be transferred to the trust account and $1.08 million will be spent on major projects for a net decrease of $481,000 to the account. $517,000 will be allocated to capital renewal and the balance $625,000 will be transferred to unappropriated surplus. Therefore, as of April 30, 2003 the trust account balance is expected to be $3.7 million, the capital renewal commitment accumulated balance will be $1.04 million and the unappropriated accumulated surplus balance will be $700,000. The total for all 3 accounts as at April 30, 2003 is expected to be $5.4 million.

D) Long-Range Plans

If the operations were to continue over the next 4 years as budgeted in 2002-03, the trust account balance would be $1.7 million, the capital renewal accumulated balance would be $3.1 million and the unappropriated accumulated surplus balance would be $4.4 million for a grand total of $9.2 million as at April 30, 2007. This plan is unrealistic as it only anticipates $1.0 million expenditure for major projects each year. Due to the size, nature and age of the buildings it is anticipated that more funds will be required for upgrades.

At the conclusion of the consultants reports a plan will be developed and fully costed. The results will be provided next year with revised financial plans.

E) Capital

There are no capital requirements at this time. This will be reviewed along with all the other priorities from the consultants over the next year.

February 19, 2002

University of Toronto at Mississauga
Conference Services
Operating Plan 2002-3 to 2006-7

Management Report

(a) Overview of Mission, Programs and Services

Objectives

- To utilize campus resources that might otherwise remain idle to produce income for UTM

- To cover both direct and indirect costs and produce a contribution to the operating budget annually

- To maintain and replace campus resources which can be used for both Conference and other uses

Service

Conference Services provides conference arrangements, including accommodation and food arrangements, for a very diverse group of customers, from school groups to the Toronto Argonauts.

(b) 2001-2 Operating plan and experience

Revenues are expected to be $103,000 less than the original budget. This is mainly due to the impact of the loss of several customers on short notice in 2001. Though a decrease in revenue was expected, the impact was greater than originally forecasted. As well, interest income is less than budget due to the reduced revenue and decreasing interest rates.

Total expenses are expected to be approximately $113,500 less than budget. This is mainly due to the decrease in food business and associated cost. Salaries, wages and benefits expense is higher than expected due to union wage requirements. Annual maintenance is higher than budget due to the renovation of a meeting room. Depreciation expense is lower than budget as the budget anticipated that the meeting room renovation would include more depreciable items and less maintenance items than actually purchased. Other expenses are lower than budget as the budget was based on 2000-1 experience which included a non-recurring write off of some old accounts.

The operating result for 2001-2 is expected to be $85,892. This is $10,270 more than the original budget. The planned contribution of $125,000 to the College's operating budget will be met and the accumulated surplus will be reduced to $50,190.

(c) 2002-3 Budget
Total revenues are expected to increase by $169,800 from 2001-2. This is due to the building back of business lost on short notice in 2001-2.

Total expenses will be increased by approximately $125,200, mainly due to the increase in food sales. As well, utilities expense is expected to increase significantly as we will be completing a detailed analysis and updating of the calculation of this expense which should result in a significant increase for the 2002-3 year.

The operating result is forecast at $130,525. The contribution to the College's operating budget will be remain at $125,000 and the accumulated surplus will be increase to about $55,700.

(d) Categories of Users and Accessibility
Conference services are used by both external and internal groups. To date, we have been able to juggle the needs of internal and external customers to maximize revenues while still providing quality service to our internal customers. UTM has a few very large customers that are children's groups. Though it can often be a daunting task to handle these groups and other customers at the same time, to date we have had much success in doing so.

(e) Long Range Plan: 2003-4 to 2006-7
Following the decrease in revenue in 2001-2, our target is to replace the recently lost customers and increase accommodation income to $442,900 in 2003-4. Food revenues should increase as well.

Conference revenues and expenses are generally expected to increase 2% per year from 2003-4 to 2006-7.

The net operating result will increase from $127,439 in 2003-4 to approximately $158,000 in 2006-7.

Annual contributions to the operating budget of UTM will remain at $125,000 from 2003-4 to 2006-7.

The surplus will grow from about $58,100 in 2003-4 to $134,800 in 2006-7.

(f) Capital initiatives, planning and funding

There are no capital expenditures planned for this operation over the next five years. The ancillary does not benefit from any operating fund subsidies and there is no deferred maintenance.

University of Toronto at Scarborough
Facilities Rental and Conference Services
Operating Plan 2002/03 to 2006/07

Management Report

A) Overview of Mission, Programs and Services

Objectives:

- To make optimal use of all campus facilities and resources when not required for academic purposes.
- To generate net revenue for the University's general operating fund in a manner that is consistent with the University's academic objectives and ensures that academic needs take precedence.
- To aggressively develop an optimal client base with appropriate marketing, sales and operation strategies, while undertaking the required personnel and financial management responsibilities.
- To ensure clients receive quality services and excellent hospitality.

Services:

The types of services provided by this department include:

- Summer visitor accommodation in the student residences.
- Conference and meeting services (including food, beverage, audio/visual and other related services).
- Facility rentals as available throughout the year.
- Campus advertising and commercial activities.
- Film production on campus.
- Management services for the Miller Lash House and Meeting Place.
- Director responsibilities for the Food and Beverage Services Ancillary

B) 2001/02 Operating Plan and Experience

The operating result for 2001/02 forecasts a surplus of $47,149, which will increase the cumulative surplus to $206,321. All three major operating units (conference services, facilities rental and film production) realized income in excess of budget.

Revenue generation, through increased business volume, is the most important factor for the success of this ancillary. The percentage of repeat business from year to year is beginning to increase which is a very favourable trend. In addition, even though campus facilities are highly utilized for academic purposes, there are modest opportunities to secure small classrooms for conferences and youth camps. UTSC registrar's office works effectively with this ancillary to first meet the needs of the academic program, while saving a small inventory of remaining smaller classrooms for income generation. Efforts are continually made to optimize the availability of facilities and to develop new sources of revenue. The longer-term outlook is favourable with the addition of a new residence and new facilities such as the Academic Resource Centre.

C) 2002/03 Operating Plan

Net operating results for 2002/03 are expected to be $21,642.

Because of the difficulty in reserving facilities in advance, attaining budgeted levels of conference accommodation and facilities rental income will continue to be a challenge. However, this ancillary will concentrate on refining the current services provided, controlling operating expenses, improving computing capabilities, developing a revised operating and marketing plan for the summer operation, weekend facility bookings, Meeting Place and the Miller Lash House. With increase residences and facilities to offer external clients, the outlook for this ancillary is good.

The operating plan is based on a marketing strategy that targets two categories of summer conference income: economy groups and conferences. The potential for growth appears to be both in the economy (sports and cultural groups), and the conference (associations) markets, particularly in light of new buildings.

In addition, the operating plan focuses on facilities that will be used to generate revenue in the following categories:

- classroom and common area rentals
- commercial and paid advertising
- filming production activities
- providing management services for the Miller Lash House and Meeting Place

D) **Categories of Users and Accessibility**

Residences and other facilities are used by youth, adult and cultural groups, sports teams, the community and tourists primarily in the summer months. Prices are based upon the level of service provided to the various users (economy to full service). Therefore, a wide range of groups can be served.

E) **Current Long Range Plan**

This ancillary is expected to generate an operating surplus in each of the five years 2002/03 to 2006/07. Total cumulative surplus at the end of 2001/02 is forecast to be $206,321 after a $10,000 planned transfer to UTSC's Student Housing and Residence Life. This transfer is the first instalment of a five-year commitment. This surplus will exceed the appropriate operating reserve as established by SARG guidelines of $148,853 by approximately $57,468.

The operation will concentrate on refining the current services provided, controlling operating expenses, improving computing capabilities, developing a revised operating and marketing plan for the summer operation, weekend facility bookings, the Meeting Place and the Miller Lash House.

This ancillary has factored University growth into the budget planning.

An adjustment was made to the bednight rate to be used to transfer funds to Student Housing and Residence Life from this ancillary based upon actual usage of a phases I, II and IV residences, beginning in 2003/04.

University of Toronto at Mississauga
Food Services
Operating Plan 2002-3 to 2006-7

Management Report

(a) Overview of Mission, Programs and Services

Objectives

- To provide quality products at reasonable prices with courteous and efficient service in pleasant and clean facilities
- To cover both direct and indirect costs and provide for the renewal of capital equipment
- To maintain a surplus sufficient to provide for a major shutdown of operations or a major equipment failure

Service

Food Services are provided through Spigel Hall cafeteria, Tim Horton's, Pizza Pizza and the Faculty Club in the South Building, The Blind Duck Pub in the Student Centre, and Panzerotto Pizza & Wing Machine in the North Building. During the 2001-2 year, UTM experienced its first summer with Panzerotto Pizza & Wing Machine open for business. We also continued to run the patio barbeque at the Student Centre. In September, we launched a new halal food program at Spigel Hall that has been quite successful. As well, the Tim Horton's cart in the Meeting Place moved from a pilot project to a permanent outlet. This has done much to alleviate the lineups at the regular Tim Horton's outlet. To date, feedback on these changes has been good and sales volumes reflect that.

(b) 2001-2 Operating plan and experience

Total revenue is expected to be approximately $30,000 less than the original budget. Cafeteria sales are expected to be about $72,000 over original budget due to the fact that Panzerotto Pizza & Wing Machine was open in the summer for the first time this year, significant increases in sales in Pizza Pizza and Tim Horton's, and smaller increases in Spigel Hall and the Student Centre. Catering sales are expected to be $114,700 less than budget due to the loss of several customers during the summer of 2001. We did expect to lose some revenue when the original budget was struck, however, the loss was significantly more than originally expected. Vending sales should be about $16,000 more than budget and interest income is lower than budget due to decreasing interest rates.

Cafeteria and catering recoveries (i.e. commissions paid to UTM from the food service providers) are expected to be approximately $11,600 lower than budget. This is mainly due to the significant decrease in catering sales. Vending recoveries are expected to be approximately $18,800 lower than budget. This is due to the fact that the commissions are dependent on meeting minimum sales levels that will not be met in the current year. This was not taken into account when the original budget was set.

Total expenses, are approximately $34,200 less than budget. This is mainly due to lower cafeteria and catering costs and lower capital renewal expenses. Lower capital renewal expenses are expected as many repairs and some replacements were undertaken during 2000-1 and are not currently required. Also, space cost and College overhead will exceed the original budgeted amounts as these calculations were subject to a detailed re-analysis this year which resulted in higher amounts.

The operating result for 2001-2 is expected to be $5,402. This is slightly higher than the original budget and is largely due to lower than budget capital renewal expenses. A contribution to the UTM operating budget of $25,000 will be made, resulting in a surplus of approximately $183,419 by the end of the year. This meets the objective and is adequate to cover any unforeseen requirements.

(c) 2002-3 Budget

Revenues in 2002-3 should increase by approximately $139,200. This is due to (1) an increase of about $112,300 in catering revenue expected in the summer of 2002 as we build back the business that was lost on short notice in the summer of 2001 and (2) 2% increases in cafeteria and vending sales.

Expenses are expected to generally increase by 2%. The expected operating result is $36,500.

Annual contributions to the UTM operating budget of $25,000 will continue as the surplus is still adequate to provide for unforeseen requirements.

(d) Categories of Users and Accessibility

Food services are available and used by students, employees and visitors. Locations include Spigel Hall, Tim Horton's, Pizza Pizza and the Faculty Club in the South Building, Panzerotto Pizza and Wing Machine in the North Building, and the Blind Duck Pub in the Student Centre. As well, vending machines are available in all buildings. Hours of operation vary but facilities are open from 8:00 am to 10:00 pm.

(e) Long Range Plan: 2003-4 to 2006-7
Cafeteria, catering and vending revenues are expected to increase by about 2% per year from 2003-4 to 2006-7.

The net operating result will increase from $41,000 in 2003-4 to $44,500 in 2006-7.

A surplus of at least $80,000 will be maintained during the forecast period. Regular contributions to the operating budget of UTM in the amount of $25,000 are planned throughout the period.

(f) Capital initiatives, planning and funding
Schedule 5 outlines the ancillary's projected capital expenditures over the next five years. The increase to $57,500 in 2001-2 reflects the purchase of the Tim Horton's cart. This schedule does not include possible expenditures for outlets in the new CCIT building, Library or Athletics buildings as plans have not yet been finalized.

The ancillary does not benefit from any operating fund subsidies and there is no deferred maintenance. Operating revenue is sufficient to support regular renewal of capital equipment.

University of Toronto at Scarborough
Food and Beverage Services
Operating Plan 2002-03 to 2006-07

MANAGEMENT REPORT

A) OVERVIEW OF MISSION, PROGRAMMES AND SERVICES

(I) Objectives

Department activity focuses on three main objectives:

1. meeting diverse customer needs,
2. financial viability, and
3. cooperative support of the University of Toronto at Scarborough and related service departments.

The current food service contract will end in the summer of 2002 and in preparation for this, Food and Beverage Services has begun preparation of a Request For Proposal with a contractor selected by May 2002.

(ii) Products/Services

The department provides contracted retail cafeteria and catering services, contracted vending services, supervision and oversight of licensed events and services on campus.

(iii) Building and Equipment Maintenance

The department has the primary responsibility for the maintenance, repair and refurbishing of food and beverage service facilities and equipment. The department acts as liaison between contracted caterers and internal services supplied through Facilities Management, Grounds and Parking, Campus Police and the general administration of the University of Toronto at Scarborough.

B) OPERATING PLAN FOR 2001-02

At this point it is expected the ancillary will report a profit $6,294 this year, $4,308 above the budget. While revenues are expected to be $16, 338 less than budget, containment of expenses will be more than balance the reduced revenues.

The existing facilities are producing modest revenues but are limited in the ability to cope with demand during peak periods. Off peak period sales remain marginal in revenue generation and pose an operating concern for the contractor. Catering and retail sales have been inconsistent over the first five months of the fiscal year and no clear pattern has emerged which will predict the balance of the year.

Following up on the previous year's experiment with Halaal menus, Aramark developed a new in -house menu to provide choices for the Muslim community on campus. The current halaal menu program will be reviewed in the second term.

Due to low revenues in the Meeting Place kiosk with the Starbuck's brand coffee, Aramark closed the operation in order to reduce the operating losses. Additional changes to hours of operation have been made to reduce labour costs.

An experiment in providing meals for participants in summer childrens camps met with modest success and further work will be done on this for next summer.

Vending revenues continue weak. A relocation of vending in a key area which to accommodate the new UTSC Bookstore has resulted in decrease in revenue by 54% to date. A new location in the S-Wing may help to recover overall sales. Members of the users community continue to express dissatisfaction with increased prices and reduced variety of services.

C) OPERATING PLAN FOR 2002-03

The upcoming Request For Proposal will direct potential contractors to focus on retail sales for the undergraduate market during the academic term. A new food services contract is expected to include a significant investment in upgrade of facilities on the part of the contractor.

A Users Committee will be struck in the near future to examine the needs and potential for expansion of facilities in order to meet the anticipated increase in the student population.

Where the new contract emphasis on retail sales may mean a reduction in the contractor's allocation of resources to the higher end catering events on campus, a new protocol for using off campus caterers will be developed that will include a recovery element.

Rates

Price increases in franchise operations are expected to rise by at least the CPI rate. Certain products sensitive to commodity price changes will rise above the CPI. The Food and Beverage Services Users' Committee will review contractors' price schedules at the time of the RFP evaluations.

D) CATEGORIES OF USERS, ACCESSIBILITY

The department's primary users are undergraduate students in attendance during the fall/winter and summer academic sessions. Secondary users are faculty, staff, and graduate students on campus throughout the year. Conference operations and University of Toronto at Scarborough sponsored community activities introduce off-campus visitors that are the third category of user.

The Food and Beverage Services Users' Committee represent all users of the University of Toronto at Scarborough. Meeting monthly from September to May, the committee approves price schedules for goods and services, advises the manager on issuance of tenders, requests for proposals, selection of vendors and the annual budget.

Hours of service for retail operations are scheduled according to demand. (See Appendix A)

E) CURRENT LONG RANGE PLAN

The department plans to remain flexible in planning for the long range in order to respond to change as efficiently as possible. Food Services plans will be based on the academic plan adopted by the University of Toronto at Scarborough and will reflect any proposals for growth on campus.

The long range plan covers the 2002-2003 fiscal year up to and including 2006-2007.

The plan incorporates the objective of renewing the core food service facilities within UTSC based on the anticipated growth. The potential for growth combined with new capital obtained through a new food services contract is considered the optimum combination of conditions.

In order to meet the four financial objectives established by the University for ancillary operations, emphasis on the next food services contract will be on retail cash services designed to obtain the highest possible percentage of participation from the undergraduate population during the academic terms. Where possible, re-design and renovation of facilities will include replacement of equipment, facilities and services with major improvements on items which have low efficiencies in maintenance, utilities and space use.

F) CAPITAL INITIATIVES, PLANNING AND FUNDING

It is expected that a renewal of facilities will involve use of external consultants. While a portion of this cost will be expected to be paid for by the food services contractor, a portion will be included in the capital plan. With the likelihood that some minor changes will take place to the facilities with the start of a new food services contract, a small allocation for related expenses has been included in capital expenses.

ST. GEORGE CAMPUS FOOD & BEVERAGE SERVICES
OPERATING PLAN 2001-02 TO 2006-07
MANAGEMENT REPORT

A) Overview of Mission, Programs and Services

The St. George Campus Food and Beverage Ancillary consists of twenty-two food service outlets and administration of the St. George Campus's liquor licence. The Ancillary is responsible for contract administration and compliance.

Six firms manage the twenty-two retail food operations: Sodexho, à la Carte Kitchens, Vegetarium, Carrotheads, Second Cup and U of T Press plus ARAMARK for vending. These services are expected to be financially and environmentally responsible. In addition, key goals are to maintain a balance of high quality, affordable pricing and selection. Of equal concern are nutritional awareness, variety, convenience and availability.

Hart House, Graduate Student Union, the Faculty Club and food trucks along St. George Street provide on-campus competition. Fast food restaurants and franchise operations in very close proximity to the campus are additional competitors, as are off-campus catering companies.

The St. George Campus Beverage Service is out-sourced to Sodexho. Beverage Service's prime concerns are compliance of the Liquor Licence Act of Ontario and the University's Alcohol Policy; monitoring licensed premises; distributing alcohol on campus; assisting in planning and staffing events; and, with the Manager of the Scarborough Food and Beverage Ancillary, administering Server Training education.

B) 2001-02 Operating Plan and Experience

The Food Services revenue for 2001-02 will increase by 3.4 % because of expanded services in some cafeterias and catering. Major expansion planned for Sidney Smith was postponed until 2002-03, thereby reducing expenses and the net operating loss by $580,000 over the anticipated budget.

The new Tim Horton's kiosk at MSB, renovation of a new kiosk at the Faculty of Law, and adding Pizza Pizza to Sidney Smith, Sandford and MSB have been well received on campus with the result of increasing the cafeteria sales on campus. Catering sales increased over the summer through conferences. Therefore revenue will increase 3.4% over the planned budget.

Expenses will be reduced over the budget by $580,000 (38%). Since full funding was not available for the Sidney Smith overhang the project was postponed indefinitely. In addition Sandford seating renovation was postponed for 2 years as wear and tear on the furniture was less than anticipated. Also a less expensive solution was found for the ventilation system at à la Carte Kitchens. Otherwise most expenses will meet budget. Space costs have increased by $39,000 (9.6%) due to soaring utility costs. Departmental overheads were reduced by $69,000 (35%), as Ancillary Services was able to spread the costs over more operations with the addition of the Charles Street Apartments in its portfolio.

Beverage Service's contribution margin is anticipated to be $16,000 (12%) more than budget. The spring and summer were particularly busy. The number of events has increased 20% over normal patterns. This year many of the events are higher profile; there are more formal dinners and more events serve wine only. Also due to more formal events more bartenders are being provided. The Manager has worked hard to control staffing costs and runs the operation efficiently. As a result expenses will increase slightly by $7,400, which is minimal considering the increased number of events. Net income is expected to increase by $9,000 to $25,000 at April 30, 2002. This net income will help contribute to the paydown of the significant accumulated deficit Food Services absorbed several years ago.

The combined Food and Beverage Services Ancillary net income, before commitments, is expected to be $273,000, $588,000 better than budget. Since 2 major projects were postponed rather than drawing the capital reserve, the commitment to capital renewal of $164,900 will be allocated to the fund as follows: $8,800 will be allocated for a Beverage truck replacement, $56,500 for furniture replacement, $53,000 for major maintenance and $46,600 for capital equipment replacement. As well, the St. George Campus Food and Beverage Services Ancillary will continue to transfer $200,000 to the Operating Fund. As at April 30, 2002 the capital renewal balance is expected to be $659,000 and the unappropriated surplus will be $169,000 for a total accumulated surplus of $828,000.

C) 2002-03 Operating Plan

The Food Services revenue for 2001-02 is assumed to increase by an inflation rate of 2% plus the addition of a new kiosk in the BCIT building and a renovation to the Sidney Smith cafeteria will increase sales by 3.6% overall. Instead of the overhang project at Sidney Smith the cafeteria will be renovated in the summer of 2002. As a result the Food Ancillary will draw $450,000 from its capital renewal reserve to cover the costs of the project.

Expenses will increase by 63% over the 2001-02 forecast. The Sidney Smith cafeteria will be completely renovated including the kitchen and servery. Sodexho has set aside investment funds to contribute to the project and the Food Service Ancillary will contribute $450,000. A kiosk, costing $100,000, will be added to the new BCIT building. As well, painting the seating area and servery at MSB is included on the major project list. Departmental overheads will increase slightly as the Graduate Residence closed in 2001-02 leaving fewer ancillaries to distribute costs over.

The Beverage operation has assumed a more conservative revenue flow since the 2000-01 and 2001-02 increases are not the normal pattern. The contribution margin is anticipated to be at the 1999-2000 levels. The operation will continue to be out-sourced to Sodexho, who is able to provide economies of scale by utilizing management and event staff on an as-needed basis. A new truck for $45,000 will be purchased in 2002-03 and will be deducted from the reserve for the truck in the capital renewal account.

Overall a net loss of $357,000 is anticipated for 2002-03 before commitments to capital renewal reserve. $8,800 will be reserved for the Beverage truck. The reserve for Food Services will be suspended until 2003-04. $495,000 will be deducted from the capital renewal account for the new Beverage truck and the Sidney Smith renovation. $200,000 will be committed towards the Operating Fund. At April 30, 2003 the capital renewal balance will be $173,000 and the unappropriated surplus is expected to be $98,000 for a total accumulated surplus of $271,000.

D) Fees/Rates

Retail prices in the food operations are expected to increase overall by CPI. Beverage Service consignment fees are reviewed regularly and are established to cover all costs for the distribution and accounting functions. Price increases from Brewers and the Liquor Control Board of Ontario are passed on directly to the customer.

E) Long-Range Plan

The long-range plan assumes 2% inflation for sales and expenses. Growth beyond inflation is not anticipated over the next 5 years. Major maintenance and replacement of non-depreciable furniture reflects a plan for renovations and up-grades to current facilities. Sandford Fleming seating replacement will occur in 2003-04. Various other facilities will be refreshed through painting or refacing some millwork.

The annual commitments to the capital renewal reserve for Food Services will continue again in 2003-04. The commitment of yearly transfers to the

Operating Fund will continue in 2002-03 with a contribution of $200,000 for a total of $1.1 million over 6 years, just $100,000 short of its goal. Due to the magnitude of the improvements required and additional costs to improve the standards of the Food Service locations, the Food Service Ancillary will not be able to contribute to the Operating Fund beyond 2002-03 for a couple of years until the reserve fund is re-established. The Ancillary will review this decision yearly and once able to re-establish the reserve that would sufficiently cover its 5-year plan it will begin contributing to the Operating Fund again.

Based on all these assumptions by April 30, 2007 the Ancillary's commitment to the capital renewal balance will be $833,000 and the unappropriated surplus balance is expected to be $393,000 for a total accumulated surplus of $1.20 million.

F) Capital

Food Service operations require continuous capital equipment and furnishing up-grades and replacements. The Ancillary plans to spend an average of $51,000 per year over the next five years. Some of the expenditures will be for new equipment in the new locations.

NEW COLLEGE
FOOD SERVICES
OPERATING PLAN FOR 2002-2003 to 2006-2007

MANAGEMENT REPORT

(A) OVERVIEW OF MISSION, PROGRAMS AND SERVICES

NEW COLLEGE STATEMENT OF PURPOSE

New College is committed to the provision of the highest quality of academic support, interdisciplinary programs, facilities for learning, and residential accommodation, in ways that will promote and foster diversity and equity for all students, faculty, staff and alumni of New College both within and beyond the University of Toronto.

OBJECTIVES

The objectives of the New College ancillary operations are to:

1. To provide students of various faculties with a living space that encourages and promotes academic, social and personal development within clean, safe and accessible buildings, with an emphasis on personal counselling and careful monitoring of student welfare.

2. To use the food service facilities in the summer to generate net revenues that will supplement the College's operating budget, by serving summer students, groups, and participants in conferences and summer educational programs.

3. To work with Sodexho to provide New College residents and visitors with nutritious food of high quality at a reasonable price.

PRODUCTS/SERVICES

The College has a compulsory meal plan for the students living in the residence. Four different plans are offered giving the students flexibility to choose the number of meals they wish to purchase. In addition, some of the plans include "flex" dollars that allow students to eat at any Sodexho food outlet on the University campus. Food is served in the dining room on an "all you can eat" basis.

The budget was prepared after a thorough consultation with College constituents and with input from Sodexho and Facilities & Services. It was adopted by the New College Priority, Planning and Budget Committee and recommended fee increases were approved by the New College Council. Both the Committee and the Council have student representation.

BUILDING AND EQUIPMENT MAINTENANCE

New College's buildings went into service in the late 1960's. Despite their age and a "24-hour, 365-day" operation, the buildings are in good repair and stand as a testimony to the pride that the individuals who maintain the building take in their work. The budget includes an ongoing plan to maintain and, where possible, improve the building and its furnishings. Mechanical and electrical maintenance plans are developed in conjunction with Facilities and Services.

(B) THE CURRENT YEAR'S OPERATING PLAN AND EXPERIENCE

An operating surplus of $70,400 is anticipated for the current year. This is slightly above the $63,700 operating surplus budgeted for. The increase is due primarily to catering activities being higher than the budget projections.

Overall, the food services revenues and expenditure items are forecast to be on target.

(C) THE OPERATING PLAN FOR THE COMING YEAR

Two of the meal plans will be phased out for 2002/03. These plans are the 19 Meal Plan and the 17 Meal Plan. Two new plans will be introduced to replace them. A 15 Meal Plan (15 meals per week with $200 of "flex" dollars), and a 12 Meal Plan (12 meals per week with $350 of "flex" dollars) will be new for the upcoming year. The 330 Meal Plan (330 meals for the year) will have its "flex" dollars increased from $300 to $400. All of these plans will have a rate of $3,100. The 330 Plan rate increase is 3.2% on the meal portion and 6.3% including the "flex" dollars. The Carte Blanche Plan (no limitation on the number of meals and no "flex" dollars) will have a rate of $3,200 that is a 2.6% increase over the current rate. Combined room and meal rates will increase by approximately 4.6%.

An inflationary rate of 2% has been used for expenditures with the exception of utilities that are budgeted to increase in cost by 5% (taking into consideration decreased rates for gas and increasing costs for water and electricity).

Capital renewal projects are based upon input from Facilities and Services and reflect the food services ancillary's contribution to these projects.

(D) CATEGORIES OF USERS AND ACCESSIBILITY

New College provides winter accommodation primarily to first-entry undergraduate students from all faculties. A small number of students from second-entry faculties continue to be housed. The cafeteria serves the residence population who have a mandatory meal plan, along with non-residence students and staff who wish to purchase a meal plan and also "walk-in" customers.

In the summer the College provides accommodation for long-term summer visitors and offers short-term accommodation to a variety of groups and individuals. In addition, participants in the College's summer educational programs (international ESL and Elderhostel) are housed in the residence.

The food service ancillary also provides catering services for the University community.

(E) THE CURRENT LONG-RANGE PLAN

The plans for the years 2003-04 to 2006-07 assume a 3% fee increase and a 2% inflationary increase for expenditures. The long-term projections also take into consideration the new residence building that is scheduled to open during the summer of 2003. The residents in the new building will participate in the meal plan. A net increase of 206 beds will result from the construction project (277 beds from the new building less the elimination of the 71 "bunk-doubles" in Wilson Hall).

(F) CAPITAL INITIATIVES, PLANNING AND FUNDING

The College plans to build the Ancillary Surplus Fund up to approximately 10% of board plan revenues and maintain it at that level.

There are no subsidies received by the College's ancillary operations from the operating budget. Appropriate levels of administrative overhead (primarily salaries and benefits) are charged to the ancillaries based on percentage of time spent on each activity.

The College will be returning the Wetmore dining hall to its original purpose. This is in anticipation of the opening of the new residence. The College has established an internal users' committee to develop the plan. Also included in this plan will be changes to the servery area to introduce a "marche" style, renovations to the kitchen area, and improvements to the Wilson dining hall. Once the business plan has been developed and approved the ancillary budget will be revised to reflect the plan.

UNIVERSITY COLLEGE
FOOD SERVICE ANCILLARY
OPERATING PLAN 2002-03

I. Overview of Mission, Programs and Services

The Howard Ferguson Dining Hall provides food service primarily for approximately 440 students housed in Sir Daniel Wilson and Whitney Hall Residences, and 100 students housed in an off-campus residence affectionately called Luker House in honour of our Dean of Students. Our key goals are to maintain a balance of high quality, affordable pricing and wide selection of food offerings available in the Howard Ferguson Dining Hall.

The Executive Chef receives student input and suggestions both formally through both the UCRC Food Committee and information from direct comments and requests. She frequently meets with individual students as well as the Food Committee in order to discuss individual dietary requirements. Vegetarian selections are available at every meal.

The UCRC Food Committee independently chaired meetings during the year to discuss food services issues. Both the Dean of Students and the Executive Chef attended many of these meetings. The operating budget and rate changes are reviewed and approved by this Committee.

II. 2001-02 Operating Plan and Experience

Operating results for 2001-02 are forecast to have an operating surplus of $280,403. Revenue at $1,535,747 is expected to be $205,475 higher than budget. Of this increase $195,000 reflects the purchase of meal plans for the Luker House students and an increase due to the change in the pricing of flex dollars. Catering sales are forecast to be $3,756 higher than budget, again reflecting well on the quality and service of food for special events.

Total expenses are expected to be $72,641 lower than budget. While the cost of provisions at $604,842 is $9,982 higher than budget, this is more than offset by the savings in salaries, wages and benefits of $65,350 as a result of vacant positions and an improvement in attendance by full-time staff. Major maintenance and improvements was reduced by $10,000 as all renovation projects have been cancelled due to the planned new residence and new dining hall construction project.

III. 2002-03 Operating Plan

Revenues are expected to increase by $63,516, primarily as a result of the planned four percent increase in meal plan rates..

Expenses, on the other hand, are expected to increase by $182,493. The budget for salaries, wages and benefits will be increased by $95,254 as vacant positions are filled. Annual and major maintenance costs totaling $12,997 reflect only necessary annual maintenance and improvements.

The cost of provisions will be increased to $690,276, reflecting the industry standard of 43% of revenue.

The Food Service net income is expected to be $161,426.

IV. Fees/Rates

The residence board plans for 2002-03 will be increased by four percent. Plan A will increase by $116 to $3,016 while Plan B will increase by $108 to $2,808.

V. Long Range Plan

The long-range plan is simply an extension of the plan for 2002-03 as it assumes operations will remain essentially the same. The long-range plan establishes board plan rate increases of four percent for the first three years, and increasing at the current inflation rate of two percent for the final two years. These rates produce an accumulated surplus at the end of 2006-07 of $1,610,400.

With the proposal to build a new 350 bed residence in the University College Residence Ancillary portfolio, the accumulated surplus will be used to contribute to the cost of the new dining facilities which will be part of the expanded University College Ancillary building portfolio.

18 January 2002

The University of Toronto at Mississauga
Parking Ancillary
Operating Plan 2002-3 to 2006-7

Management Report

(a) Overview of Mission, Programs and Services

Objectives

- To provide cost effective and safe parking facilities for students, faculty and staff while minimizing necessary allocation of College land

- To cover both direct and indirect costs and provide for the renewal of capital equipment

- To maintain an operating contingency fund (excluding capital) equal to twenty percent of the annual expense budget.

- Having attained the above objectives, to provide net contributions to the College operating budget.

Service

The users of the parking facilities are students, faculty, staff and visitors. There are 2,310 spaces available on campus. To November 30, 2001, 457 employee permits and 3,164 student/residence permits were sold this year.

Expansion of parking facilities is a major concern on campus. During 2000-1, both the CCIT building and a garage underneath it were approved. These construction projects are scheduled to be complete by September 2004. The garage will accommodate 366 spaces. The campus Master Plan encourages extensive use of parking under buildings, as well as, eventually, a large above ground parking structure to address the expected enrolment increase over the next several years.

Schedule 7 outlines the supply and demand of parking at UTM. The population is expected to grow by 30% by 2005-6 and eventually by 50%. As well, the various construction projects required to accommodate this growth will disrupt and/or eliminate existing parking arrangements.

(b) 2001-2 Operating plan and experience
Total revenue is expected to be about $4,000 lower than budget, mainly due to a reduction in investment income. This is due to lower than expected interest rates. Lower investment income is partially offset by higher than expected revenue from permits and cash fees.

Total expenses are expected to be $490,188 or $48,188 more than budget. This is due to higher salaries, wages and benefits, the expense for major paving, equipment repairs, insurance and other expenses. Salaries, wages and benefits exceed budget because of an increased estimate of winter snow-plow costs and various costs incurred upon the transition from a retiring employee to a new employee. Capital renewal - major maintenance (major paving) is $17,200 more than budget as the cost incurred to expand Lot 6 (the Residence lot) in preparation for the construction of Phase 7 residence was more than originally planned.

The operating result for 2001-2 is, therefore, expected to be $487,490, down $52,210 from budget.

The transfer to the operating fund for the 2001-2 year will be $540,000 as budgeted. This is the last year that a transfer will be made as this amount will now be retained in the Parking ancillary to support the expanding parking facilities.

Based on the current forecast, the parking surplus will be approximately $36,000 by year-end. This surplus falls short of meeting the objective of 20% of expenditures or approximately $100,000.

(c) 2002-3 Budget
Schedule 7 shows the expected demand and supply of parking on campus over the next few years. In 2002-3, 265 spots will be lost to CCIT construction. A new lot (lot 9) will be built in the summer of 2002 and will provide 300 spots, largely to replace those lost to CCIT construction. These changes are not without cost and must be provided for in our plan.

The operating plan for 2002-3 is based on increasing prices as follows:

Reserved permits – increase from $305 to $366 or $61 per year
Unreserved permits – increase from $251 to $299 or $48 per year
Reserved Lot 4b – no increase from 2001-2 unreserved price of $251
Daily cash (from 7:30 am to 7:30 pm) – increases from $6.75 to $8

These increases are the first of the initial steps in the plan to provide adequate parking for our expanding campus.

The cost of Lot 9 (300 spots) is approximately $600,000 and is reflected in the major maintenance expense. As well, a construction road will be built to service the construction of the CCIT building and Phase 7 residence. The cost of this project will be split between the garage, the CCIT building, and Phase 7 residence. As well, lot 4 will lose 68 spots to the construction road. $200,000 has been provided in the major maintenance expense for the construction road project. Finally, the ongoing base expense of $50,000 for the other lots has been included, resulting in a total major maintenance expense of $850,000.

Increases in other expenses generally reflect increases for inflation.

The net operating result is a deficit of $222,575 and an accumulated deficit of $186,461. There is no contribution to the operating fund.

(d) Categories of Users and Accessibility

Parking Rates
A comparison of rates (Schedule 6) with local institutions and Scarborough College is attached.

UTM rates will increase above those of Scarborough as we prepare for the garage to be completed. Our rates, however, are not yet higher than Sheridan College.

Much of the parking in the City of Mississauga is still provided without a specific charge. This parking is provided either through taxes (the City) or by charging in another way (for example, parking at Square One is provided by the mall, the cost of which is passed on to the customer through retail prices). Organizations that do not have access to such funding methods must charge parking users for the cost of the operation. This, unfortunately, means that everyone who parks at UTM will experience increased prices over the next few years.

UTM students and staff do not have the same access to public transportation as commuters have at the St. George campus. While the City of Toronto actively discourages car-supporting infrastructure, Mississauga has invested heavily in roads. The result is a problem the College shares with other organizations - parking must be provided.

(e) Long Range Plan: 2003-4 to 2006-7
Approval for the long range budget is sought on the understanding that each year the budget for the upcoming year will be reviewed in the context of prevailing circumstances and revised as necessary. The rates and budgets for the long range plan for 2003-4 to 2006-7 should be viewed as plans and do not reflect set amounts.

Plans for all of the years up to 2012-3 have been included as approval for the garage was based on a plan for the operation to achieve a positive operating result by 2008-9 and a positive surplus by the year 2011-12. This is achieved by the proposed plan.

Parking rates are outlined in Schedule 5. These rates result from estimates of the total revenue that is required to maintain a financially viable operation that provides adequate parking for students, faculty and staff.

Expenses are generally expected to increase by 2 to 3% per year over the next 5 years. In addition, expenses for the garage will be introduced and the expansion of lots 3 and 8 in 2003-4 will increase the normal major maintenance expense by $248,000 to $298,000 in that year.

Note that the interest rate assumed on the mortgage for the garage is 8%. It is possible that the actual rate will be less and that prices will therefore be lower than originally planned.

Schedule 4 outlines the ancillary's projected capital expenditures over the next five years. These expenditures represent ticket machines and snow-plow equipment.

The financial objective of the ancillary is to operate a financially viable ancillary while keeping rates as low as possible. This includes providing an operating contingency fund (surplus) of at least $100,000. This goal is achieved in all years except 2010-11 and 2011-12, due to the requirement to provide for a contribution to capital renewal beginning in 2009-10.

(f) Capital initiatives, planning and funding
The ancillary does not benefit from any operating fund subsidies and there is no deferred maintenance.

The University of Toronto at Mississauga
Parking Ancillary
Operating Plan 2002-3 to 2006-7

Executive Summary

Ancillary Requirements
The University of Toronto requires that each ancillary operation be self-supporting. Ancillaries are not to be subsidized by the operating budget.

Expansion and demand for parking
The Mississauga campus is planning to grow by 30% by 2005-6. Not only will there be more students, faculty and staff on campus, but there will be fewer parking spaces in existing surface lots due to (1) permanent loss of spaces as new buildings and roads are built and (2) temporary loss of spaces during construction. Details of this situation, on an annual basis, can be seen in Schedule 7.

Balancing objectives
In order to maintain the integrity of the campus, provide adequate parking and maintain a financially viable operation, a comprehensive plan is required. The Campus Master Plan laid the principles that must guide parking expansion. These include minimizing paved lots and taking advantage of opportunities to build parking lots underneath new buildings as they arise. These opportunities must be judged with respect to the long-range plan. The opportunity to take advantage of underground parking which may be required in the future will be lost forever once a building is constructed. The parking expansion plan, therefore, includes a 366 space garage underneath the CCIT building and a 300 space paved surface lot (Lot 9) inside the ring road, opposite the existing Argonaut parking lot. Lot 9 will be constructed during the summer of 2002 and open for use in September 2002. It is a key element in enabling adequate parking to be provided upon the loss of 265 spaces as the CCIT building construction begins.

Cost of expansion
During the 2002-3 year, the parking operation will spend $600,000 for Lot 9. As well, the construction road entrance, which will be used to construct Phase 7 Residence, the CCIT building and the parking garage will cost the Parking operation $200,000. During 2003-4, the parking operation will spend $248,000 to expand Lot 8 (94 spaces) and Lot 3 (30 spaces). The Parking garage will cost $12.9 million and will open in September 2004.

Resulting Prices
Prices are set based on the revenue required to ensure adequate parking and the cost to operate the ancillary on a financially viable basis over the long term.

Prices will increase as follows in 2002-3:

Reserved permit – increases from $305 to $366 annually or $5 per month
Unreserved permit – increases from $251 to $299 annually or $4 per month
Reserved Lot 4b – no increase from 2001-2 unreserved price of $251
Daily cash (7:30 am to 7:30 pm) increases from $6.75 to $8
Meters – increase from $1 per half hour to $2 per half hour

Comparative prices at other facilities are shown below:

	UTS 2002-3	Sheridan College 2001-2	Credit Valley Hospital 2001-2	McMaster 2001-2	York 2001-2
Reserved	$412.50	n/a	$374	n/a	$870
Reserved – garage	n/a	n/a		$600	
Unreserved	$287.50	$333.50	$300	$432 central $264 fringe	$594
Daily cash (max.)	$12 inner $10 outer	$7	$8.50	$8.50	
Meter (per hour)	$7.20			$2	$2

Comprehensive Plan results
The expansion plans and planned price increases will allow the campus to enjoy adequate parking, in line with the principles established in the Master Plan. The ancillary will meet the financial objectives set out by the University of Toronto, including long term financial viability without subsidy from the operating budget, with minimal price increases.

UNIVERSITY OF TORONTO AT SCARBOROUGH
PARKING SERVICES
OPERATING PLAN 2002-03 TO 2006-07
MANAGEMENT REPORT

(a) Overview of Mission, Objectives and Service

(i) Mission:

The mission of the College Parking Ancillary is **to provide a quality parking facility and service in a safe environment.**

(ii) Objectives:

The parking budget is designed to meet the following objectives:

- To provide safe parking facilities for students, faculty, and staff while keeping to a minimum the necessary allocation of College land.
- To cover both direct and indirect costs and to provide for the renewal of capital equipment.
- To maintain an operating contingency fund.
- To provide net contributions to the College operating budget.

(iii) Service:

The users of the parking facilities (2000 spaces) are students, faculty, staff, and visitors.

(b) 2001-02 Operating Plan and Experience

The operating result for 2001-02 is a forecasted surplus of $277,560, $17,838 less than the original budget of $295,398. Parking is expecting a surplus in total revenue of $12,637; parking permit sales will exceed budget by $7,354, and income from cash fees will exceed budget by $16,371 primarily due to income from the first full 12-month period of operation of a visitor lot pay-and-display meter.

The forecast expenses are higher than originally budgeted by $30,475. This overexpenditure is due primarily to increased wages from the hiring of two additional students in the summer of 2001, to assist with parking development projects.

The 2001-02 budget included an increased commitment to the capital renewal fund while continuing to fulfill the objectives of the budget. The purchase of a new truck and plow for $45,000 was scheduled for 2001-02. It was decided that a sidewalk tractor will be purchased instead of the truck and plow, which necessitated an increase in the capital budget of $46,545.

After the transfer of $145,000 to the University of Toronto at Scarborough's operating budget and a transfer of $130,000 to capital renewal, $2,560 will be contributed to the surplus fund, increasing it to $271,710 in the surplus fund at the end of 2001-02.

(c) The Operating Plan for 2002-03

The net operating result before commitments and transfers is $229,321; $150,000 will be transferred to the College operating budget and $75,000 committed to the capital renewal fund.

Increased enrolment coupled with the loss of inner lot parking spaces due to construction projects requires the construction of 300 new parking spaces in the outer lots for September 2002. The 2002-03 budget indicates 25% permit price increases for all permits, primarily to fund the construction of these spaces. Permit increases of 25% are indicated for the 2003-04 budget in order to fund the construction of 500 new outer lot spaces, which will be required due to growth. Increases of 5% for inner permits and 2.5% for outer permits are indicated through the remainder of the budget period. This plan allows contributions to the capital renewal fund in anticipation of road and parking lot construction resulting from various building projects, infrastructure changes to the road system, and to address deferred maintenance issues.

The capital renewal fund will have a balance of $975,000 by the end of the planning period. These increases will enable the budget to meet all of its commitments and transfers. As well, the fund will allow the ancillary to address future parking space needs as growth occurs, retrofit existing facilities to meet city standards, accommodate master plan recommendations for inner campus roads and parking, update automated equipment, and update the emergency telephone system.

In 2002-03, cash rate increases of 20% at the inner lots and 100% at the outer lots are indicated, the first such increase in several years, which assists in funding the development of 300 new parking spaces. Through the remainder of the period, no further increases are indicated.

(d) Categories of Users, Accessibility

The Parking operation currently has 2,000 parking spaces. It offers year-round unreserved inner and outer controlled access parking facilities to the University community during the periods that the University is open for regular use. The use of these spaces is marketed through the sale of 3,400 permits and the equivalent of 40,000 individual cash users.

The inner parking facility has eight spaces dedicated for use by those with physical disabilities, and six spaces each for visitors or trades vehicles to the University.

(e) The Current Long-Range Plan

The current long-range plan through 2006-07 is designed to provide self-supported parking facilities, construct new parking facilities, provide efficient maintenance and operation, and to continue to contribute to the College operating budget.

The structuring of rates will allow the ancillary to accommodate an increased number of users in alignment with enrolment projections and campus development. Rates will also fund increased services, including an expanded Ridesafe program with two full-time drivers, an additional Ridesafe bus, and increased expenditure on equipment and supplies necessary to maintain the new parking lots. The income strategies include charging all users for parking with no exceptions.

(f) Capital Initiatives, Planning, and Funding

The Parking operation is made up of three areas at the Scarborough campus. The first is contained within the confines of the upper campus; the second is the road, service roads, and parking areas in the valley for Athletics and the Miller Lash House; and the third is the outer parking on deemed surplus lands.

The Circulation Master Plan combined with the Campus Master Plan details a number of long-range re-structuring projects for the parking ancillary operation.

In 2002-03, the construction of 300 new spaces in the outer lot will accommodate an increased number of patrons in the outer lots. This increase is due to the displacement of vehicles from the inner lots, which will be reduced in size due to the construction of the Phase IV residence and the ARC. Increased enrolment is also expected to increase demand for parking spaces in the outer lots.

In 2003-04, the construction of 500 new outer lot spaces adjacent to those to be constructed as part of Centennial construction project, are anticipated to be needed as a further result of growth, enrolment increases, and the further loss of inner lot spaces to the construction of the Management/Arts Building.

The Site Development Committee and the Parking division are working to provide a long-term solution to the circulation, visitors, pedestrian, V.I.P., and "Kiss n' Ride" problems that currently exist while taking into account future building plans.

University of Toronto St. George Campus Parking Operating Plan
2002-03 - 2007-08

Plan Description

1. Mission

The mission of the St. George Campus Parking Operation is to provide effective services to its customers at fair and competitive rates. In addition, the parking ancillary is required to provide significant contributions to the University's operating budget, while continuing to remain fiscally viable for the long term.

2. Overview of Products & Services

A) Parking Supply/Demand

The Parking ancillary currently controls a little over 2,300 spaces. The current space inventory applicable to the St. George Campus Bylaw is approximately 1,950 spaces - this excludes the OISE garage, Dentistry, and a few other spaces not applicable to the Bylaw. The bylaw requirement for the St. George campus is a minimum of 1,930 spaces, and a maximum of 2,130 spaces.

This plan anticipates an increase of approximately 111 spaces during the next year as follows:

- the addition of 308 spaces with the opening of the BCIT garage.
- the loss of 48 spaces at 575 Spadina due to the New College Residence project.
- the loss of 35 spaces at 7 Glen Morris in order to accommodate a new Day Care facility.
- the loss of 26 spaces due to the Open Space Plan.
- the loss of 63 spaces on Taddle Creek due to CCBR.
- the loss of 25 spaces at 1 Spadina due to a renovation to Grounds Services.

This small increase in the parking inventory is temporary as further campus development is contemplated. However, this business plan makes no further assumptions about the impact of any such plans.

The ancillary currently has approximately 2,500 "annualized" permits outstanding. (During peak periods the ancillary may sell up to 3,000 permits).

With the 20% increase to permit rates during the past 2 years, there has been a modest softening of permit demand on the St. George campus.

B) **Parking Rates**

Schedule 5 compares the St. George Campus permit rates to a number of institutional and commercial operations. The 20% rate increases of the last two years has brought the St. George rates much closer to the institutional rates within the vicinity. Only inflationary rate increases are being proposed for permit rates within this plan.

A survey of cash rates does indicate some opportunity to be more aggressive in this area, and it is proposed that the daily maximum cash rate be increased from $13.00 to $14.00, and the half-hour rate be increased from $2.50 from $3.00. These increases are required in order to ensure that the ancillary can continue to provide significant land rents to the University by mitigating the significant capital and operating costs required by underground garages.

3. Overview of Operating Results 2001-02

The net operating results before transfers/commitments is projected at $980,000 compared to a budget of $1,135,000. Total revenues are expected at $4,542,000 compared to a budget of $4,394,000. The revenues reflect the net operating results of the parking operation at 500 University Ave. Expected parking permit revenues are anticipated to be approximately $76,000 under budget, representing a slight softening of demand on the St. George campus. Fortunately, it is anticipated that a favorable variance in cash fees will offset this.

On the expense side, the largest variance is anticipated for major maintenance projected at $649,000 vs. a budget of $468,000. Repairs was required at several surface lots in addition to the large repair that was anticipated in the budget for the Simcoe Hall lot. In addition, the carbon monoxide detection equipment at the Innis Residence garage had to be replaced in the current fiscal year. The sprinkler system at OISE was renovated at a cost of $295,000 vs. a budget projection of $250,000.

4. Overview of Operating Projections

Projected Operating Results

The 2002-03 proposed budget assumes that the annualized permits will grow to approximately 2600 primarily because of the favorable location of the BCIT garage. The projected revenues also include the impact of the proposed increases to parking cash rates. The operating projections include the full cost of the BCIT garage including projected external financing costs. As outlined in previous operating plans, the impact of the BCIT garage is the single most important factor in reducing the land rent from approximately $1.8 million in 2001-02 to $1.1 million in 2002-03. It is important to note that the ancillaries projections make no further allowance for lost spaces beyond the projections outlined in schedule 2A above. Further campus development, in particular, possible loss of parking on the front campus with the resulting need to build a further garage, would have a substantial deteriorating impact on future land rents.

Commitments In Cumulative Surplus

A) Reserve for Major Maintenance

The ancillary continues to provide a reasonable level of maintenance reserves in order to avoid future deferred maintenance problems. Assuming that at least one half of the projected balances are required for surface lot maintenance, the remaining reserves represent less than 1% of the replacement value of the garages managed by the ancillary.

B) Capital Reserve

The construction of garages on the St. George campus has consumed all capital reserves, requiring that the ancillary obtain external financing for the bulk of the new BCIT garage and any future garages.

C) Cumulative Surplus/Investment In Capital Assets

The projected investment in capital assets at the end of each fiscal year represent the un-depreciated book value of fixed assets, including garages, which have been financed internally by the Parking ancillary.

5. Service Initiatives

A major challenge for the parking ancillary this year, and in coming years, is to ensure that the impact of campus development plans is as transparent to parking customers as possible. Considerable care is being taken to ensure that, wherever possible, customer preferences are taken into account as permit holders are relocated to different locations throughout the St. George campus. Since parking staff are often the first contact that visitors have at the University, it is important that ongoing training programs emphasize professionalism, and a strong customer service focus.

Hart House
University Affairs Board
Service Ancillary Operating Plan
2002-03

A. Overview of Mission, Programmes, And Services

Hart House is the social, cultural, recreational athletics and informal education centre for the University of Toronto. The more than 50,000 students now enrolled at the University are all members of Hart House as well as the almost 3,000 faculty, staff and alumni who join as senior members. Hart House continues to strive to fulfill its mission to be a welcoming and inclusive home on campus for all its members, providing excellent programmes and services while balancing the budget and preserving the building.

2002/03 is the first year of our second 5 Year Plan (attached) which was developed in a broadly consultative process with members and staff. It builds on the solid foundation of the House's current activities, stretching and pushing the House in new ways with creative activities flowing from five guiding principles. For the past five years, the annual operating plans have been based on the multi-year strategic plan and this practice will continue with the new plan.

B. Prior Year's Operating Plan And Experience

The 2001/02 budgeted loss was $987,000 before commitments and transfers but the forecast for 2001/02 indicates a slight improvement with a loss of $629,000. Several factors affected this outcome. Deferred and major maintenance expenditures were under budget by $630,000 while regular maintenance expenditures were up by $143,000. Hart House was required to close the guest rooms in mid-year as they are not in compliance with current fire code standards resulting in a $70,000 decrease in net revenue for the year. A review of the changes necessary to bring the guest rooms in compliance with the code has demonstrated that it will not be possible to reopen the guest rooms for financial and aesthetic reasons.

Hart House assumed the management of Hart House Theatre on May 1, 2001. It has been a successful startup and the Theatre is forecast to break even for the year. The performance of the Arbor Room continues to be unacceptable with an expected loss of $71,000. Several measures to improve its performance have been undertaken including a renovation in the summer of 2001 causing an increase in the number of transactions, new cash registers to track sales by menu item to allow improved management of inventory and staffing, and an increase in prices. Close monitoring of the performance of the Arbor Room indicates that it is improving.

C. Operating Plan for 2002/03

The 2002/03 budget has been reviewed and recommended by the Finance Committee and approved by the Board of Stewards. It represents a prudent and conservative approach to maintaining existing levels of programmes and preserving the building while providing excellent stewardship for Hart House's finances. Issues raised by SARG last year about annual operating deficits, the construction of the elevator and funding for the theatre have been addressed in the proposed budget.

With respect to annual operating deficits, although a deficit is proposed for 2002/03 due to significant priorities for deferred and major maintenance, the 10-year forecast (schedule 1A) shows surpluses in every future year which will replenish and build the total net assets. Each budget line has been carefully reviewed and a model has been built which is sustainable for the House. Recent challenges including the integration of Hart House Theatre and the closing of the guest rooms due to fire code requirements have been taken into account.

Recognizing that fees need to be kept at rates which take into account inflation, the demands of increased enrollment and the timely preservation of the building, realistic assumptions about revenue from student and senior member fees have been made which we think will be acceptable to these constituencies (see schedules 4, 4.1, 5, 5.1). Two approaches to fees were considered: one which had a large increase in one year followed by smaller increases in the two subsequent years with the pattern repeating over ten years; and another which raised fees at a smooth consistent rate over several years. Both approaches enable the budget to produce a surplus from 2003/04 forward. The smooth approach was favoured over the choppy one based on feedback from student and senior members, consideration of the limitations on student fee increases due to the COSS (Council on Student Services) Memorandum of Agreement (attached – see sections 3 and 4) and consideration of the limitations on senior member fee increases in order to remain competitive within the market.

A recently updated engineering survey and new architectural survey of the deferred and major maintenance needs of the House provide us with a 15-year plan (2000-2015) for the continuous preservation and improvement of the building. The surveys are the basis on which the deferred and major maintenance expenditures are projected. In the next 5 years, the plan requires significant expenditures on major items which cause a dip in cash and the reserve funds although the operating results are positive. In subsequent years, as shown in the ten year forecast, the requirements for expenditures diminish to more manageable levels, making it possible to continue to have balanced budgets and to replenish the reserve funds in that period. In order to take into account the needs of the building, balancing the disruption of repairs with ongoing programming, having a realistic work plan for repairs and smoothing expenses, the projects have been categorized into "A", "B" and "C" lists (Schedule 6). The "A" list has been used in the 2002-03 operating plan. Due to the extensive repairs required for the farm residence, it has been determined that it will be more prudent to construct a new house with the expense covered by a 5-year mortgage.

The Access Project to install an elevator to reach all 5 floors of Hart House was begun in the summer of 2001. Phase 1, the construction of a corridor on the Arbor Room level to link the east side of the building with the athletics facility on the west side, was successfully finished in October 2001 and is now in use. Detailed drawings for phase 2, the construction of accessible washrooms on the second and third floors, and phase 3, the installation of the elevator, are being completed now in preparation for tendering when funding is in place. If our funding application to the Cultural Spaces Canada programme is successful, it may be possible to proceed with phases 2 and 3 as early as the summer of 2002.

The first year of the integration of Hart House Theatre into Hart House is going very well. Student productions in various media fill the calendar and the integration of human, financial and physical resources is resulting in efficiencies and enhancements to all the programmes of the House. The development campaign to build an endowment is well begun.

D. Categories of Users, Accessibility

The Hart House Constitution states:

> Hart House is an association of members. There are two kinds of members of the House – the U of T Student Members, and Senior Members. The Senior Member is a person who elects to join Hart House. The U of T Student – whether full or part-time, graduate or undergraduate – is a Hart House member automatically.

Hart House continues to widen participation in its services and programmes by encouraging activities and events that are attractive to the diverse student and senior member population. Hart House is a centre of campus life, with approximately 6400 people using the House each day. More than cultural 1000 events are organized annually by the 32 Hart House clubs and committees. In addition, many major campus events are held in the House. We continue to seek ways to include students from the east and west campuses in the House, including providing special events and facilitating participation in activities which are unique to Hart House such as Hart House Theatre, the Farm and the art programme. As well, we rent space in our facility for events sponsored by the wider community and a number of Hart House events welcome the general public.

The House is open 365 days per year from early in the morning until midnight or late evening. In terms of physical accessibility, the House is accessible on the first floor. The Access Project has been discussed in section C above. Future plans for deferred and major maintenance and projects such as the renovation of the locker rooms will be designed to continue to improve the accessibility of the House.

E. Current Long Range Financial Plan

The long-range planning assumptions are set out at the bottom of Schedule 1 and are in accordance with enrollment, investment yield, and inflation factors recommended by the University of Toronto's Financial Services Department. Based on student and senior member feedback, we think that the proposed fee increases are realistic and will be acceptable to both student and senior members.

The five-year financial plan and ten-year forecast ensures adequate cash flow for deferred & major maintenance and other commitments. Deferred and major maintenance expenditures are planned for the next 15 years and reviewed frequently with the Finance Committee of the House to minimize volatility in expenditures due to unforeseen events while enabling the programming in the House to continue. The long-range budget adds an increasing annual operating contingency expense for deferred and major maintenance projects.

As a result of operating losses before commitments and transfers and increased deferred and major maintenance expenditures commencing in 2001/02, the existing cash surplus will begin to erode by the end of 2002/03. The athletics facility requires extensive renovations to the locker rooms and $300,000 has been added to the 2002/03 deferred and major maintenance budget for this purpose.

Hart House has identified a number of capital projects as part of its fundraising campaign. Success in these endeavours would have a positive impact on the cash balance. However, no provision for these revenues or expenditures is included in the projections.

F. Capital Plan for 2002-03.

The capital budget is set at $650,000. It includes $300,000 for the acquisition of capital equipment, $100,000 for building improvements to the fabric of the House over and above the deferred and major maintenance expenditures and $250,000 for the construction of the new farm house.