

FOR APPROVAL**PUBLIC****OPEN SESSION**

TO: University Affairs Board

SPONSOR: Jill Matus, Vice-Provost, Students & First-Entry Divisions
CONTACT INFO: Phone (416) 978-3870 / Email yp.students@utoronto.ca

PRESENTER: See Sponsor.
CONTACT INFO:

DATE: March 5, 2015 for March 17, 2015

AGENDA ITEM: 5 (d)

ITEM IDENTIFICATION:

Operating Plans: Student Services, St. George Campus
Hart House

JURISDICTIONAL INFORMATION:

The Terms of Reference of the University Affairs Board provide that the Board is responsible for policy concerning student services and for overseeing their operations. Changes to the level of service offered, fees charged for the services and categories of users require the Board's approval. Section 5.1.3 of the Terms of Reference provides that the annual approval of the Hart House operating plan is the responsibility of the University Affairs Board. The Board receives annually from its assessors reports on matters within its areas of responsibility, including statements of current issues, opportunities and problems, along with recommendations for changes in policies, plans or priorities that would address such issues.

Pursuant to the terms of the *Memorandum of Agreement between The University of Toronto, The Students' Administrative Council, The Graduate Students' Union and The Association of Part-time Undergraduate Students for a Long-Term Protocol on the Increase or Introduction of Compulsory Non-tuition Related Fees* (the "Protocol"), approved by Governing Council on October 24, 1996, the Council on Student Services (or the relevant body within a division of the University) reviews in detail the annual operating plans, including budgets and proposed compulsory non-academic incidental fees, and offers its advice to University Affairs Board on these plans.

GOVERNANCE PATH:

1. University Affairs Board (March 17, 2015) [For Approval]
2. Governing Council (April 1, 2015) [For Information]

PREVIOUS ACTION TAKEN:

The Operating Plans for Hart House for the current fiscal year were approved by the University Affairs Board on March 18, 2014. The 2015-16 Operating Plans for Hart House have been approved by the Hart House Board of Stewards and the Service Ancillaries Review Group (SARG).

The current fees for Hart House are as follows:

St. George Campus:	\$ 80.51 per session	(\$ 16.11 for part-time students)
UTM and UTSC:	\$ 2.47 per session	(\$ 0.50 for part-time students)

See separate memorandum concerning consideration of the proposed plans by the Council on Student Services (COSS).

The proposed fee increases are within the limits provided by the Protocol for consideration by the Board.

HIGHLIGHTS:

The experience of this past year and plans for the coming year are summarized in the attached material from Bruce Kidd, Warden, Hart House.

FINANCIAL AND/OR PLANNING IMPLICATIONS:

The degree to which Hart House anticipates achieving the objectives of the long-range budget guidelines is summarized in the 2015-16 operating plans for service ancillaries.

RECOMMENDATION:

It is recommended that the University Affairs Board approve:

THAT the 2015-2016 operating plans and budget for Hart House, as presented in the documentation from Professor Bruce Kidd, Warden, and Rita O'Brien, Acting Warden and Chief Administrative Officer, be approved; and

THAT the sessional fee for a full-time student on the St. George campus be increased to \$82.64 (\$16.54 for a part-time student), which represents a year over year increase of \$2.13 (\$0.43 for a part time student) or 2.65% (resulting from the elimination of a 2012-13 three-year temporary increase, a permanent increase of 2% and a temporary increase of 5.6%); and

THAT the sessional fee for a full-time student at UTM or UTSC be increased to \$2.54 (\$0.51 for a part-time student), which represents a year over year increase of \$0.07 (\$0.01 for a part time student) or 2.65% (resulting from the elimination of a 2012-13 three-year temporary increase, a permanent increase of 2% and a temporary increase of 5.6%).

DOCUMENTATION PROVIDED:

Hart House Budget and Overview

HART HOUSE: 2015/2016 OPERATING BUDGET



UNIVERSITY OF
TORONTO

Hart House

First Draft Operating Budget 2015/16

Hart House is proposing a balanced budget for the 2015/16 year.

Budget status update:

- ✓ Reviewed, analyzed and approved by Hart House Finance Committee:
January 13, 2015
- ✓ Recommend for approval by the Finance Committee to the Board of Stewards:
January 15, 2015

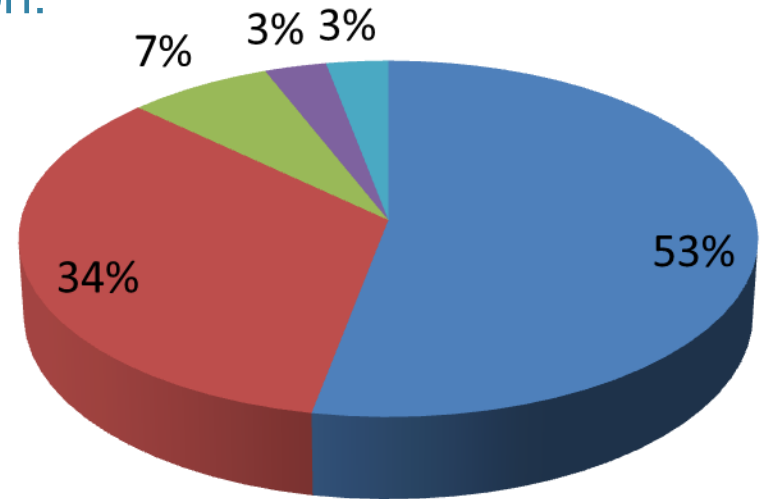
Approval required from the following bodies:

- COSS
- SARG
- UAB

OPERATING REVENUE

Operating Revenue is \$17.5 million:

- Student fees - 53%
- Revenue; food, space rental, theatre, & a/v rentals - 34%
- Faculty, staff and alumni memberships - 7%
- Registered classes and Locker & Towels Service - 3%
- Other (Clubs, farm, HUB) - 3%



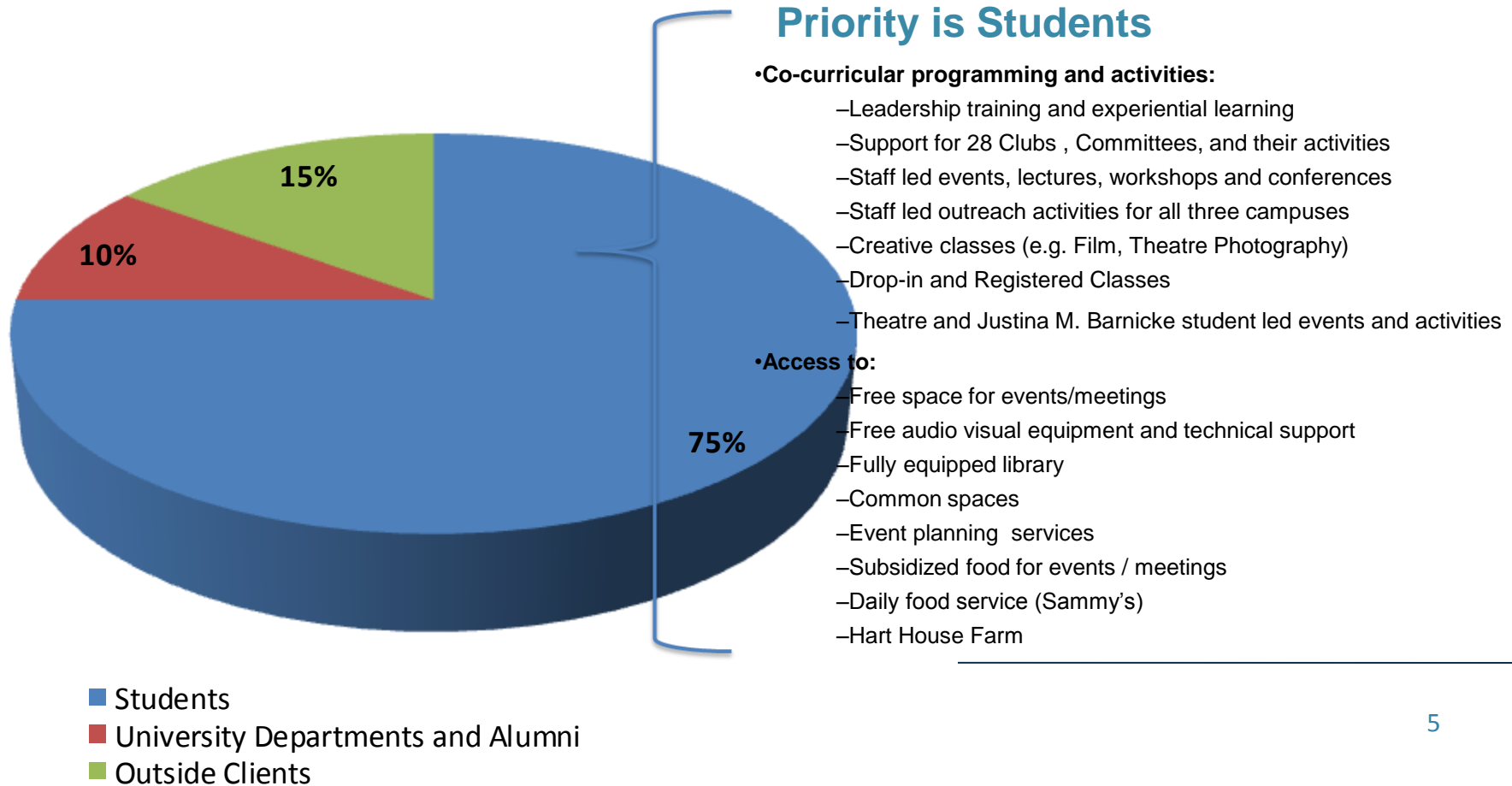
PROPOSED INCREASE

Proposed increase to student fees:

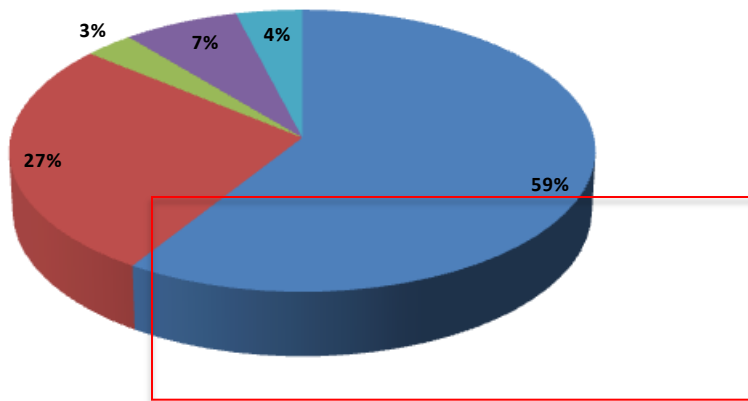
✓ 2.65%

Campus	Student Fees 2014-2015	% Net Change	\$ Net Change	Student Fees 2015-2016
St. George (full-time)	\$ 80.51	2.65%	\$ 2.13	\$ 82.64
St. George (part-time)	\$ 16.11	2.65%	\$ 0.42	\$ 16.54
UTSC & UTM (full-time)	\$ 2.47	2.65%	\$ 0.07	\$ 2.54
UTSC & UTM (part-time)	\$ 0.50	2.65%	\$ 0.01	\$ 0.51

2015/16 Operating Expenses & Commitments - \$17.5M



Breakdown of Expenses



**Fixed costs
=89%**

- UofT Overhead
- Salary, wage and benefit rates (negotiated by UofT central through collective bargaining)
- Utilities
- Building maintenance
- Necessary Facility improvements
 - IT wiring, to create a more scalable and fault-tolerant design;
 - New cardio LifeCycles;
 - Pool pump
 - Art Gallery HVAC
 - Space reconfiguration
 - Roof repairs

■ Salaries, wages, benefits & UofT Overhead

■ Utilities, equipment, maintenance & capital renewal

■ Clubs and Committees Programming

■ Cost of goods sold

■ General office, software, publicity, theatre production, laundry & other



2015/16 ANNUAL OPERATING PLAN

ASSUMPTIONS

	2015/16 BUDGET	2016/17 BUDGET	2017/18 BUDGET	2018/19 BUDGET	2019/20 BUDGET
General Inflation forecast	1.7%	1.9%	1.9%	1.9%	1.9%
Enrollment increase forecast	2.6%	1.9%	1.4%	0.6%	0.1%
Student fee rate forecast	2.65%	2.0%	2.0%	2.0%	2.0%
Investment yield forecast	1.10%	1.60%	2.00%	2.25%	
Senior Member fees rate forecast	2.0%	2.0%	2.0%	2.0%	2.0%
General increase in salaries, wages and benefits (% of prior year - cost of living and step increase)	4.0%	5.0%	5.0%	5.0%	5.0%

2015/16 ANNUAL OPERATING PLAN

	2014-15 Budget	2014-15 Forecast	2015-16 Budget	2016-17 Budget	2017-18 Budget	2018-19 Budget	2019-20 Budget
Revenue							
Student fees	8,803,700	8,803,700	9,240,300	9,608,000	9,939,300	10,196,900	10,408,100
Membership fees	1,225,400	1,225,400	1,259,900	1,285,100	1,310,800	1,337,000	1,363,700
Food revenue	3,252,500	3,535,300	3,435,500	3,500,800	3,567,300	3,635,100	3,704,200
General revenue	2,679,500	2,613,800	2,608,200	2,658,100	2,709,000	2,760,900	2,813,800
Investment income	160,800	161,600	162,700	165,300	168,600	172,400	172,400
Clubs & Committees' programming	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Donations, grants & amortization	225,400	335,400	223,800	228,100	232,400	236,800	241,300
Gratuities	0	434,500	441,300	420,100	428,100	436,200	444,500
	16,472,300	17,234,700	17,496,700	17,990,500	18,480,500	18,900,300	19,273,000
Expenses							
Salaries, wages & benefits	9,259,050	9,374,100	9,511,400	9,987,000	10,486,400	11,010,700	11,561,200
General office	507,200	551,800	558,400	569,000	579,800	590,800	602,000
Cost of sales	1,129,200	1,216,800	1,190,000	1,212,600	1,235,600	1,259,100	1,283,000
Depreciation, loss/gain on disposal	691,200	498,200	659,100	679,100	699,100	719,100	739,100
Clubs & Committees' programming	454,500	454,500	468,100	477,500	487,000	496,700	506,600
Maintenance & insurance	956,000	950,200	982,300	1,001,000	1,020,000	1,039,400	1,059,100
Utilities	1,021,800	949,900	1,114,200	1,135,400	1,157,000	1,179,000	1,201,400
Sundry expense	222,700	204,500	232,100	236,500	241,000	245,600	250,300
Donations in kind	26,000	26,000	0	0	0	0	0
Publicity, photography, printing, prizes	164,600	163,100	171,400	174,700	178,000	181,400	184,800
Theatre production costs	55,900	56,600	57,000	58,100	59,200	60,300	61,400
Uniforms & linen laundry	196,800	210,100	221,000	225,200	229,500	233,900	238,300
Software & data processing	181,200	123,700	183,900	187,400	191,000	194,600	198,300
Equipment, supplies, equip repair & rentals	657,500	501,700	639,300	642,100	644,700	647,200	649,600
UoT overhead	147,000	147,400	201,800	205,600	209,500	213,500	217,600
	15,670,650	15,428,500	16,190,000	16,791,200	17,417,800	18,071,300	18,752,700
Operating result before Commitments & Transfers	801,650	1,806,200	1,306,700	1,199,300	1,062,700	829,000	520,300
Commitments & Transfers							
Net Spending on Capital Assets	1,182,800	1,318,800	1,206,000	1,443,700	1,423,600	1,401,300	1,260,900
Add to (spend from) Programme Reserve							
Add to (spend from) Operating Reserve	72,300	72,300	102,400	49,420	49,000	41,980	37,300
Add to (spend from) Maintenance Reserve	(453,450)	415,100	(1,700)	(293,820)	(409,900)	(614,280)	(777,900)
	801,650	1,806,200	1,306,700	1,199,300	1,062,700	829,000	520,300
Excess of Revenue over Expense and Commitments							

Notes: 2015/16 Budget

Expectation that Advancement Division of Hart House will bring in restricted donations of \$250,000

Donations in Kind reflected in University of Toronto Statements

Grants related to the Art Gallery not included in HH Business Operations

2015/16 ANNUAL OPERATING PLAN

	2014-15 BUDGET	2014-15 FORECAST	2015-16 BUDGET	2016-17 BUDGET	2017-18 BUDGET	2018-19 BUDGET	2019-20 BUDGET
UNRESTRICTED NET ASSETS							
Excess of revenue over expense	801,700	1,806,200	1,306,700	1,199,300	1,062,700	829,000	520,300
Transfers to other internally restricted funds	(801,700)	(1,806,200)	(1,306,700)	(1,199,300)	(1,062,700)	(829,000)	(520,300)
Balance, beginning of year	344,600	694,600	694,600	694,600	694,600	694,600	694,600
Balance, end of year	\$ 344,600	694,600	694,600	694,600	694,600	694,600	694,600
INTERNALLY RESTRICTED NET ASSETS Operating Fund Reserve (10% of budgeted revenue)							
Increase (decrease) in commitment	72,300	72,300	102,400	49,420	49,000	41,980	37,300
Balance, beginning of year	1,574,900	1,574,900	1,647,230	1,749,630	1,799,050	1,848,050	1,890,030
Balance, end of year	\$ 1,647,200	1,647,200	1,749,630	1,799,050	1,848,050	1,890,030	1,927,330
INTERNALLY RESTRICTED NET ASSETS Reserve for Deferred & Major Maintenance							
Increase (decrease) in commitment	(453,500)	415,100	(1,700)	(293,820)	(409,900)	(614,280)	(777,900)
Balance, beginning of year	3,033,100	5,029,800	5,444,900	5,443,200	5,149,400	4,739,500	4,125,200
Balance, end of year	\$ 2,579,700	5,444,900	5,443,200	5,149,400	4,739,500	4,125,200	3,347,300
INTERNALLY RESTRICTED NET ASSETS Other Reserves (ie. Programme, Art, Chapel, Building)							
Increase (decrease) in commitment	-	-	-	-	-	-	-
Balance, beginning of year	902,800	846,900	846,900	846,900	846,900	846,900	846,900
Balance, end of year	\$ 902,800	846,900	846,900	846,900	846,900	846,900	846,900
INTERNALLY RESTRICTED NET ASSETS Investment in Capital Assets							
Capital asset additions	1,750,000	1,700,000	1,741,300	2,000,000	2,000,000	2,000,000	2,000,000
Depreciation and gains/losses	(691,200)	(498,200)	(659,100)	(679,100)	(699,100)	(719,100)	(739,100)
Transfer from deferred capital contribution	-	-	-	-	-	-	-
Amortiz of deferred capital contributions	124,000	117,000	123,800	122,800	122,700	120,400	-
Increase/(decrease) in commitment	1,182,800	1,318,800	1,206,000	1,443,700	1,423,600	1,401,300	1,260,900
Balance, beginning of year	3,712,600	2,622,600	3,941,500	5,147,500	6,591,200	8,014,800	9,416,100
Balance, end of year	\$ 4,895,400	3,941,500	5,147,500	6,591,200	8,014,800	9,416,100	10,677,000

	2014-15 BUDGET	2014-15 FORECAST	2015-16 BUDGET	2016-17 BUDGET	2017-18 BUDGET	2018-19 BUDGET	2019-20 BUDGET
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ENDOWMENT Internal Theatre & Sutherland

Increase (decrease) in commitment	6,400	6,500	6,500	6,600	6,700	6,900	7,000
Balance, beginning of year	321,000	317,700	324,200	330,700	337,300	344,000	350,900
Balance, end of year	\$ 327,400	324,200	330,700	337,300	344,000	350,900	357,900

ENDOWMENT Club & Committee Endowment Fund

Increase (decrease) in commitment	300	5,000	5,000	2,700	2,800	2,800	2,900
Balance, beginning of year	14,600	126,500	131,500	136,500	139,200	142,000	144,800
Balance, end of year	\$ 14,900	131,500	136,500	139,200	142,000	144,800	147,700

ENDOWMENT Art Gallery & Baker Dunham Endowment Funds
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Increase (decrease) in commitment	1,700	3,500	4,000	2,300	2,400	2,400	2,500
Balance, beginning of year	87,100	109,800	113,300	117,300	119,600	122,000	124,400
Balance, end of year	\$ 88,800	113,300	117,300	119,600	122,000	124,400	126,900

ENDOWMENT Theatre Endowment Fund
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Increase (decrease) in commitment	32,200	35,000	34,000	24,700	25,200	25,700	26,200
Balance, beginning of year	1,110,200	1,167,400	1,202,400	1,236,400	1,261,100	1,286,300	1,312,000
Balance, end of year	\$ 1,142,400	1,202,400	1,236,400	1,261,100	1,286,300	1,312,000	1,338,200

ENDOWMENT Bennett HH Library Fund

Increase (decrease) in commitment		12,800	20,600	20,700	21,100	21,500	22,000
Balance, beginning of year		1,001,000	1,013,800	1,034,400	1,055,100	1,076,200	1,097,700
Balance, end of year	\$ -	1,013,800	1,034,400	1,055,100	1,076,200	1,097,700	1,119,700

TOTAL NET ASSETS Unrestricted, Internally Restrictd and Endowment

Increase (decrease) in commitment	842,300	1,869,000	1,376,800	1,256,300	1,120,900	888,300	580,900
Balance, beginning of year	11,100,900	13,491,400	15,360,300	16,737,100	17,993,500	19,114,400	20,002,600
Balance, end of year	\$ 11,943,100	15,360,400	16,737,100	17,993,400	19,114,400	20,002,700	20,583,500



2015/16 ANNUAL OPERATING PLAN

Schedule 4

STUDENT FEE SCHEDULE

	Student Fees 14/15	Fee Drop Off	UTI Increase	CPI Increase	Student Fees 15/16	% Change
St. George Full time	80.51	(3.70)	4.30	1.54	82.64	2.65%
St. George Part time (= 20% St.G full time)	16.11	(0.74)	0.86	0.31	16.54	2.65%
UTSc & UTM Full time	2.47		0.02	0.05	2.54	2.65%
UTSc & UTM Part time (= 20% of UTSc/UTM full time)	0.50		-	0.01	0.51	2.65%

2015/16 ANNUAL OPERATING PLAN

Schedule 5

SCHEDULE OF SENIOR MEMBER AND OTHER FEES

		2014/15		2015/16		↓ Change	% Change
		Base	HST incl.	Base	HST incl.		
ATHLETICS							
<u>Regular Fee</u>	Monthly	\$ 73.75	\$ 81.71	\$ 75.23	\$ 85.01	\$ 1.48	2.0%
	Annually	\$ 848.15	\$ 939.62	\$ 865.11	\$ 977.58	\$ 16.96	2.0%
<u>Discounted Fees</u>							
Spouse of Student Member or Senior Member	Monthly	\$ 57.95	\$ 64.20	\$ 59.11	\$ 66.79	\$ 1.16	2.0%
	Annually	\$ 654.29	\$ 724.85	\$ 667.37	\$ 754.13	\$ 13.09	2.0%
Recent Grad	Monthly	\$ 36.88	\$ 40.85	\$ 37.61	\$ 42.50	\$ 0.74	2.0%
	Annually	\$ 423.55	\$ 469.22	\$ 432.02	\$ 488.18	\$ 8.47	2.0%
Member over 65	Monthly	\$ 57.95	\$ 64.20	\$ 59.11	\$ 66.79	\$ 1.16	2.0%
	Annually	\$ 654.29	\$ 724.85	\$ 667.37	\$ 754.13	\$ 13.09	2.0%
Faculty or Staff	Monthly	\$ 53.21	\$ 58.94	\$ 54.27	\$ 61.33	\$ 1.06	2.0%
	Annually	\$ 608.98	\$ 674.66	\$ 621.16	\$ 701.91	\$ 12.18	2.0%
Affiliated Student	Annually	\$ 228.63	\$ 253.29	\$ 233.20	\$ 263.52	\$ 4.57	2.0%
Visiting Student	4 months	\$ 179.11	\$ 198.43	\$ 182.69	\$ 206.44	\$ 3.58	2.0%
One Month Member	Monthly	\$ 100.09	\$ 110.89	\$ 102.09	\$ 115.37	\$ 2.00	2.0%
CLUBS & COMMITTEES							
<u>Regular Fee</u>	Annually	\$ 179.11	\$ 198.43	\$ 182.69	\$ 206.44	\$ 3.58	2.0%
<u>Special Fees</u>							
Spouse of Student Member or Senior Member	Annually	\$ 179.11	\$ 198.43	\$ 182.69	\$ 206.44	\$ 3.58	2.0%
Member over 65	Annually	\$ 136.97	\$ 151.74	\$ 139.71	\$ 157.87	\$ 2.74	2.0%
Faculty or Staff	Annually	\$ 179.11	\$ 198.43	\$ 182.69	\$ 206.44	\$ 3.58	2.0%
Visiting Student	Annually	\$ 179.11	\$ 198.43	\$ 182.69	\$ 206.44	\$ 3.58	2.0%
ATHLETICS PLUS							
	Monthly	\$ 101.15	\$ 112.05	\$ 103.17	\$ 116.58	\$ 2.02	2.0%
	Annually	\$ 1,140.00	\$ 1,262.94	\$ 1,162.80	\$ 1,313.96	\$ 22.80	2.0%
JOINT PLAN							
	Annually	\$ 309.18	\$ 342.53	\$ 315.37	\$ 356.36	\$ 6.18	2.0%

2015/16 ANNUAL OPERATING PLAN

Schedule 6

DEFERRED & MAJOR MAINTENANCE PROJECTS

DMM Expensed & Capital Projects	Projected May-Aug	Projected Sep-Dec	Projected Jan-Apr	Budget	Notes
2015/16 DMM Expensed Repairs:					
Window Replacements				\$8,700	
Roof Repairs				\$25,000	
Software Upgrades				\$50,000	
Library Accessible Entry				\$12,000	
Contingency 10%				\$9,500	
Total DMM Expensed	\$0	\$0	\$0	\$105,200	
2015/16 DMM Capitalized Improvements:					
Space Reconfiguration				\$273,000	Female Custodial Changeroom; Gallery Grill Storage; HH Staff Lunchroom; Booster Fan Relocation
North-East Exit Refurbishment				\$17,500	
South-East Mechanical Room Ceiling				\$75,000	
IT Project- Phase 2				\$600,000	
Art Gallery HVAC				\$330,000	Plus \$170,000 from other funding sources.
Farm Building Expansions				\$25,000	
Contingency 10%				\$132,000	
Total DMM Capitalized	\$0	\$0	\$0	\$1,452,500	
Total DMM Budget 2015/16				\$1,557,700	
2015/16 Funded from Other Sources					
LED Light Panel				\$1,973	HHFB Funds
Digital Film Camera				\$5,187	HHFB Funds
Digital Still Camera				\$2,995	HHFB Funds
Camera Gear				\$4,969	HHFB Funds

2015/16 ANNUAL OPERATING PLAN

Schedule 7

CAPITAL PROJECTS

Capital Projects	Projected May-Aug	Projected Sep-Dec	Projected Jan-Apr	BUDGET	Notes
2015/16 Furniture & Equipment Expensed Purchases:					
Exterior Banners				\$1,500	\$1,500.00
Pipe and Drape				\$2,300	
Underwater Gear				\$2,000	\$3,130 from Underwater Club
Total Furniture & Equipment Expensed Purchases	\$0	\$0	\$0	\$5,800	
2015/16 Furniture & Equipment Capital Purchases:					
Refrigerator/Freezer				\$9,000	
LED Strip Lighting				\$37,800	
Drapes/Curtains				\$16,400	
Upright Life Cycles				\$49,600	
Squat Rack				\$7,200	
Stair Climber				\$7,400	
Folding Tabeles and Carts				\$8,000	
Power Distro' Rack				\$6,600	
Kitchen Griddle				\$6,500	
Gas Oven				\$38,000	
GH Sound				\$5,600	
Wooden Podiums				\$5,700	
Event Tents				\$9,000	
Furnishings (Annual)				\$50,000	
Pool Pump				\$32,000	
Total Furniture & Equipment Capital Purchases	\$0	\$0	\$0	\$288,800	

Total Capital Outlays, 2015/16	\$1,741,300
Less: Donor Funded Projects	\$ -
Internally funded asset additions	

HartHouse

2015/16 ANNUAL OPERATING PLAN

Fee Index Calculations

CPI Formula

\$	80.51	2014-15	
-\$	3.70		
\$	76.81		
	2.00%	CPI rate	
\$	1.54	CPI based increase for FT St. George Students	

UTI Formula

2014-15 budgeted salary base - Appointed Staff	(A)	5,211,092	
Average increase for 2015-16 @ 4%		208,444	
Benefit Cost @ 24.75%		1,341,335	
Indexed salary - base appointed staff			6,760,871
2014-15 budgeted wages - Casual Staff	(B)	1,287,808	
Average increase for 2015-16 @ 2.75%		35,415	
Benefit Cost @ 10%		132,322	
Indexed salary base - all staff			1,455,545
			8,216,416
Add: Estimated severance costs if applicable			

Total indexed salary and benefits expenditure base for 2015/16 **8,216,416**

Subtract the amount of net revenue from other sources of revenue:
2014-15 budget previous year (i.e. non-student fee revenue)

Total revenue	(C)	14,300,200	
Less student fees	(D)	(8,803,700)	
Less student fees - clubs and committees	(E)	(26,000)	(5,470,500)

Add the non-salary expenditure base (2014-15 budget)

Total budgeted expenses	(F)	14,300,200	
Less budgeted salaries, wages and benefits	(G)	(7,859,750)	6,440,450

Less UTMUTSC fees (2014-15 enrol @ 2014-15 rates) 139,900 *

Total St George student fee budget for 2014-15 UTI rate **9,326,266**

Weighted, projected St. George enrollment for 2015-16 (Term FTEs) 109,969 *

UTI Based term fee for St. George Students (budget/enrollment) **\$ 84.81**

Less adjusted fee base - 2014-15 Fee **-\$ 80.51**

UTI **\$ 4.30**

2014/15 Fee	\$	80.51
Less: temp fee	-\$	3.70
Plus: CPI	\$	1.54
Plus UTI: (3 year temp)	\$	4.30
	\$	82.64

Increase 2.65%

Budget Challenges

- Budgetary Constraints
- Greater than inflationary increases on unionized salaries per Collective Agreements
- Green Heritage Infrastructure Renewal - Fundraising