

UNIVERSITY OF TORONTO

THE GOVERNING COUNCIL

REPORT NUMBER 142 OF THE PLANNING AND BUDGET COMMITTEE

March 2, 2011

To the Academic Board,
University of Toronto

Your Committee reports that it held a meeting on Wednesday, March 2, 2011, at 4:10 p.m. in the Council Chamber, Simcoe Hall, at which the following were present:

Dr. Avrum Gotlieb (Chair)
Professor Miriam Diamond (Vice-Chair)
Professor Cheryl Misak, Vice-President and
Provost
Ms Catherine J. Riggall, Vice-President,
Business Affairs
Professor Scott Mabury, Vice-Provost,
Academic Operations
Professor Philip H. Byer
Professor Parth Markand Bhatt
Mr. Ken Davy
Dr. Chris Koenig-Woodyard
Professor Christina E. Kramer
Dr. Jim Yuan Lai
Professor Henry Mann
Ms Natalie Melton
Ms Carole Moore
Ms Lynn Snowden
Mr. W. John Switzer

Non-voting Assessors:

Ms Sheila Brown, Chief Financial Officer
Mr. Paul Donoghue, Chief Administrative
Officer, University of Toronto Mississauga
Ms Elizabeth Sisam, Assistant Vice-President,
Campus and Facilities Planning
Ms Sally Garner, Executive Director, Planning
and Budget

Secretariat:

Mr. Anwar Kazimi, Secretary
Mr. Henry Mulhall

Regrets:

Professor Elizabeth Cowper
Mr. Shaun Datt
Professor Meric S. Gertler
Professor Douglas McDougall
Dr. Susan Rappolt

In Attendance:

Mr. Horatio Bot, Assistant Dean, John H. Daniels Faculty of Architecture, Landscape, and Design
Ms Sheree Drummond, Assistant Provost
Mr. Sandeep Malik, Senior Manager, Planning and Budget
Ms Jacqueline Raaflaub, Senior Development Officer, John H. Daniels Faculty of Architecture,
Landscape, and Design
Ms Angela Regnier, Executive Director, Students' Administrative Council (SAC) which operates as
the University of Toronto Students' Union (UTSC)
Professor Richard Sommer, Dean, John H. Daniels Faculty of Architecture, Landscape, and Design
Professor Sandy Welsh, Acting Vice-Dean Teaching and Learning, Faculty of Arts and Science

ITEMS 4, 5, AND 9 ARE RECOMMENDED TO THE ACADEMIC BOARD FOR APPROVAL. ALL OTHER ITEMS ARE REPORTED FOR INFORMATION.

1. Chair's Welcoming Remarks

The Chair welcomed members and guests to the meeting.

2. Reports of the Previous Meetings (January 12 and January 27, 2011)

Report Number 140 (January 12, 2011) and Report 141 (January 27, 2011) were approved.

3. Business Arising from the Report of the Previous Meeting

There was no business arising from the report of the previous meeting.

4. Capital Project: Interim Project Report for the Relocation of the John H. Daniels Faculty of Architecture, Landscape, and Design

Ms Sisam said that in 1997, a Users Committee for the School of Architecture, and Landscape Architecture (now the John H. Daniels Faculty of Architecture, Landscape, and Design) had addressed the matter of facilities renewal, and the role of the facilities in supporting the academic program and vision of the Faculty. The Governing Council had approved the Users Committee Report in 1997. The report had addressed the academic requirements of the Academic Plan for 2000, and it had identified the projected enrolment in graduate programs alongside growth in faculty and staff complement. Ambitious in its scope, the report had proposed a multi-phased project, valued at approximately \$10 million (1997 dollars) which was to be implemented as funding permitted.

Ms Sisam recalled that in 2008, a project planning committee had been reconstituted to review the recommendations of the 1997 report and to address the current requirements of the Faculty. A comprehensive plan that addressed the space shortages and building renewal was prepared. This report had received Governing Council approval in 2009. An international competition resulted in the submission of proposed renovations that would have cost an amount in excess of the approved and estimated budget. The physical constraints of the Faculty's current location at 230 College Street were such that the proposals, contained in the 2009 report, could not be implemented to support the proposed expansion of the programs that had been contemplated by the Faculty.

The Faculty's new academic plan involved an expansion and growth in the number and size of its programs, including the proposed repatriation of the undergraduate program from the Faculty of Arts and Science (currently in a consultation phase) and its growth. In addition, the Faculty proposed to align its programs with those offered by the Department of Visual Studies in the Faculty of Arts and Science. A new PhD program had also been proposed by the Faculty. Overall, the current location of the Faculty at 230 College Street was an impediment to its academic aspirations and growth.

The 1 Spadina Crescent site presented a unique opportunity for the Faculty. That iconic building, was currently being used by a number of units including those from the Faculty of Arts and Science, the Faculty of Medicine, Facilities and Services, and Ancillary Services. The site was also used for 128 parking spaces. The total space available at 1 Spadina Crescent was approximately 4,667 net assignable square metres (nasm). However, nearly 880 nasm of this space was located in the basement of the building and was mostly unusable. The relocation project would require significant demolition and reconstruction at the north end of the building. Zoning approvals were in place for this undertaking. Issues related to the relocation of the current occupants of the building would be addressed in the final Project Planning Report which would be brought forward as necessary for governance approval.

4. Capital Project: Interim Project Report for the Relocation of the John H. Daniels Faculty of Architecture, Landscape, and Design (cont'd)

To date, \$17.5 million had been raised, or committed, to the project and fund-raising efforts were ongoing. Professor Misak added that the historic site of 1 Spadina Crescent presented enormous possibilities and was an appropriate project for John H. Daniels Faculty of Architecture, Landscape and Design. The project would also be attractive to other potential donors.

Invited to address the Committee, Dean Sommer reiterated the Faculty's plans for the expansion of its academic programs. The Faculty had a vision to transform this historic site to one that met the expected growth requirements. It was anticipated that the gift from John and Meredith Daniels, and other fund raising efforts would help the Faculty to realize its goal for the site.

In response to questions, Dean Sommer said that the proposed move of the Faculty to the new location at 1 Spadina Crescent had not been opposed by the members of faculty; that once the building on the site was renovated and new construction was completed on the north end of the building, there would be enough space to accommodate all members of the faculty and the Department of Visual Arts and that multiple consultation reports on the current state of the building were available, and the Faculty was aware of the need to address any unexpected renovations that were required to the historic building.

Finally, with reference to the source of funding for the project, Professor Misak said that the John H. Daniels Faculty of Architecture, Landscape and Design had \$17.5 million available for the project and further fund-raising efforts were underway. The details would be presented in the final project planning report.

On motion duly moved, seconded, and carried,

YOUR COMMITTEE RECOMMENDS

THAT the plans for relocation of the John H. Daniels Faculty of Architecture, Landscape and Design to new facilities as outlined within the Interim Project Planning Report, dated February 2011, a copy of which is attached hereto as Appendix "A", be approved in principle with implementation subject to approval of a detailed final project planning report.

5. Capital Projects: Site Reassignments for St. George Campus

Ms Sisam said that in 1997, the University had received approval from the City of Toronto for twenty-one sites for development on the St. George campus. Since the approval of the specific zoning by-law, thirteen sites had been developed and one was currently under construction. The University was in the process of updating its Master Plan. Two of the sites had been identified for specific projects – site 7 (1 Spadina Crescent) and site 12 (100 Devonshire Place).

Site 7: 1 Spadina Crescent

In 2006, a Project Planning Report to accommodate the Department of Art at 1 Spadina Crescent had been approved. However, due to a downturn in the economy, fund-raising efforts for renovations of that building had been difficult. 1 Spadina Crescent was now being considered for the relocation of the John H. Daniels Faculty of Architecture, Landscape, and Design. The interim report for the relocation of this Faculty was being presented to the Committee for its consideration. As had been outlined earlier in the meeting, the current location of the Faculty at 230 College Street was an impediment to its academic aspirations and growth.

5. Capital Projects: Site Reassignments for St. George Campus (cont'd)

Site 12: 100 Devonshire Place

This area was the parking lot to the east of Woodsworth College. A Project Planning Report had identified this site as a possible location of the Student Commons Building to the north of the Varsity Centre for High Performance Sport. In part, this was because of the site's proximity to public transit and to other student facilities. An Interim Report had been approved by governance in June 2007 to co-locate the project with the future Varsity Centre for High Performance Sport. The report had stipulated that site 12 be assigned to the Varsity Centre for High Performance Sport till December 31, 2007. The site assignment was being proposed for renewal. The completion of the project would adhere to the principles of the construction of a phased multi-purpose sports facility.

A member asked whether the Varsity Centre for High Performance Sport was being delayed at site 12, or whether it was going to be re-allocated again for a different project in the future. Professor Mabury said that, pending funding, the Varsity Centre for High Performance Sport would be built at site 12.

230 College Street

In fall 2007, the Students' Administrative Council (SAC) which operates as the University of Toronto Students' Union (UTSU) had held a referendum among full-time undergraduate students on the St. George campus for a levy to fund capital and operating costs for the Student Commons. To date, just over \$1 million had been raised through this levy. The proposed relocation of the John H. Daniels Faculty of Architecture, Landscape, and Design to 1 Spadina Crescent had provided an opportunity for the 230 College Street to emerge as the site for the Student Commons. This building was close to other student services and was easily accessible to public transit. Moreover, the costs of any renovations to 230 College Street would be much lower than the cost of the construction of a new building, and the project was likely to be completed sooner.

Invited to address the Committee, Ms Regnier outlined the chronology of events that had led to the unanimous approval for the project by the board of directors of the UTSU. Between April 2010 and November 2010, the UTSU had engaged in internal discussions and with the University administration to consider 230 College Street as the site for the Student Commons. The UTSU had sought, and obtained, legal clearance on the question of whether the referendum question would still apply if the Student Commons were to be located at an existing building at 230 College Street rather than at a newly constructed building. There had been unanimous support among the UTSU's stakeholders and its board of directors for 230 College Street as the site of the Student Commons. Ms Regnier said that UTSU would provide governance bodies with a copy of the final report provided to its directors, outlining the consultations that had occurred with the administration, and that there had been unanimous support for the project.

A member asked about the cost-effectiveness of this change. Professor Mabury said that the new site would be more cost effective than building anew. In addition, more space would be available at 230 College Street than there would be in a newly-constructed building for the same purpose. Any funds remaining after the required renovations could be used for upgrades (or sustainable projects) to the facility deemed suitable by the student body.

A member expressed support for the project and said that the consultations between the administration and the students in this matter could serve as a model for future projects. He asked whether there had been any consultations with the Association of Part-Time Undergraduate Students (APUS) on the relocation of the space occupied by that student group. Professor Mabury and Professor Misak said that discussions were ongoing with APUS for a move to a suitable location based on the criteria set by that student group.

5. Capital Projects: Site Reassignments for St. George Campus (cont'd)

On motion duly moved, seconded, and carried,

YOUR COMMITTEE RECOMMENDS

THAT the following sites are assigned to capital projects now in the project planning phase:

- (i) Site 12 (100 Devonshire Place) to the Varsity Centre for High Performance Sport;
- (ii) Site 7 (1 Spadina Crescent) to the John H. Daniels Faculty of Architecture, Landscape and Design with the Faculty of Arts and Science program in Visual Art;
- (iii) 230 College Street to the Student Commons.

The documentation is attached as Appendix "B" to this report.

6. Capital Project: University of Toronto Mississauga, North Building Reconstruction, Phase A - Project Planning Committee Terms of Reference

The Committee received for information the Membership and the Terms of Reference for the Project Planning Committee for the Capital Project for Phase A of the reconstruction of the North Building at the University of Toronto Mississauga.

7. Capital Project: University of Toronto Mississauga, W.G. Davis Building Master Plan, Phase 2 – Project Planning Committee Terms of Reference

The Committee received for information the Membership and the Terms of Reference for the Project Planning Committee for the Capital Project for Phase 2 of the W.G. Davis Building at the University of Toronto Mississauga.

8. Enrolment Report, 2010-2011

A member asked if there were any significant differences between the projections that were presented in the Enrolment Report for 2009-2010 in 2010, and those projected in the Report for 2010-2011. Professor Mabury said that there was no significant shift in strategy or policy. There was a general sense that enrolment at University of Toronto Mississauga (UTM) and the University of Toronto at Scarborough (UTSC) would increase at a faster pace because of the availability of more space at those campuses. Professor Misak said that student enrolment at the Faculty of Arts and Science at the St. George campus had expanded beyond the optimum capacity of that Faculty. It was anticipated that a reduction in undergraduate student intake would allow the Faculty to enhance the student experience across its colleges and communities. However, there was room for growth within some professional undergraduate faculties at the St. George campus. Ms Garner added that growth in the undergraduate student intake for some professional faculties at the St. George campus was not driven by any tuition fee differential. The tuition fee at some of those faculties was the same as that of the Faculty of Arts and Science.

Professor Misak added that it was anticipated that there would be growth in international undergraduate applications as a result of a steep increase in tuition fees in other popular markets for international students such as the United Kingdom. The provincial government had encouraged universities to recruit more international undergraduate students. However, she noted the University continued to lobby the provincial government for funding for international graduate students.

9. Budget Report, 2011-2012

Professor Misak reminded members that, in fiscal terms, 2010-2011 had been a difficult year for the University. The economy was making a slow recovery. Consistent with most defined pension plans in the public sector, the University's defined pension plans was acutely underfunded. The University had set aside special payments of \$30 million (in addition to the special payments of \$27 million that had been made in previous years) in 2011-2012 to address the deficit in the pension plans. The University was mindful of the fact that more students might be requiring aid and remained committed to the student financial aid guarantee that had been in place for several years.

Professor Misak said that a balanced budget was being presented. This was possible largely because divisional leaders across the University had taken creative measures to generate more revenue. As an example, the Faculty of Arts and Science offered summer courses to students enrolled at other universities. This pilot project had exceeded expectations and was anticipated to grow. There had also been an increase in the number of international students. However, the University recognized the need to enhance the services with the goal of improving the experience of international students. In concluding her introduction, Professor Misak said that the impact of the budget would vary across divisions.

Professor Misak invited Professor Mabury and Ms Garner to make a presentation on the Budget Report for 2011-2012. A copy of this presentation is appended to this report as Appendix "C".

In the discussion the following points were clarified.

- Professor Misak reiterated that the University had to increase the amount of the special payments to address the pension plan deficits. This measure was being taken to avoid a situation where the provincial government would mandate the University address the deficit in an even shorter period of time, and that that would lead to severe consequences. The government had also made clear that it expected an increase in member contributions as one element in a strategy to address the pension plan deficits. The University was entering the phase of negotiations with its unions and bargaining units where this matter would be discussed. In response to another question from a member, Ms Riggall said that the provincial government had placed solvency regulations for institutions to address any deficits in their pension plans. In order to avail of a longer period to address the deficit, the University was required to show that it had put a sustainable plan in place to address its pension deficits. On July 1, 2011, the University would file a report with Financial Services Commission of Ontario (FSCO) outlining its timelines and strategies to address the deficit in its pension plans.
- In response to a question from a member, Professor Misak said that it was anticipated that there would be no change to the provincial government's tuition framework.
- A member asked about the measures that were being taken to address the financial assistance required by part-time students. Professor Misak replied that the Noah Meltz Program for Part-Time Undergraduate Students had been reviewed and recommendations to improve this program would be presented to the Business Board at its meeting on March 7, 2011. In addition, the University's forthcoming fund-raising campaign would highlight the need to provide financial assistance to part-time students.
- A member sought clarification on the impact of the increased special pension payment contributions and faculty salary increases on individual divisions and units. Ms Garner said that divisions would contribute towards the special pension deficit payments in approximately the ratio of their appointments and salaries. Professor Misak replied that the effect varied from division to division. In the fall, individual meetings had been held with divisional leaders to

9. Budget Report, 2011-2012 (cont'd)

discuss their budgets in detail. An assessment of the impact of any cost containment measures had been made. Divisions that were in a fiscally strong position, usually as beneficiaries of a generous gift, had been encouraged to expand and enhance their programs. However, some other divisions faced a radically different scenario where they struggled to cover their costs of operation.

- The University had put in place a Special Retirement Program for Faculty and Librarians. A member said that a recent report in the *Globe and Mail* suggested that up to 538 individuals were eligible to access this program. How would the University cope with the short-term fiscal cost even if half of these individuals were to access the program? Professor Mabury replied that similar packages offered at other universities had been accepted by about twenty per cent of those who were eligible. Even if 100 individuals were to take the University's offer, the fiscal impact would be bearable. Professor Mabury said the special retirement program was viewed by the divisions as an opportunity for renewal. The decision to replace a retiree rested within that division.
- A member sought clarification on the impact of the projected expansion of professional graduate programs. According to the member, the University was a research-intensive institution and the expansion of professional graduate programs went against the principles of such an institution. Professor Misak replied that there was a high demand for professional graduate programs. Many students preferred to pursue a second graduate degree rather than a doctoral program. While the University would continue to build on the strengths of its doctoral programs, it would also respond to the needs of its students. Ms Garner added that academic rigour was the deciding factor in the establishment of any professional graduate programs.

On motion duly moved, seconded, and carried,

YOUR COMMITTEE RECOMMENDS

THAT the *Budget Report 2011-12* be approved, and
 THAT the *Long Range Budget Guidelines 2011-2012 to 2015-2016* be approved in principle.

The documentation is attached as Appendix "D" to this report.

10. Date of the Next Meeting – Wednesday, April 6, 2011

The Chair reminded members that the next regular meeting of the Committee was scheduled for Wednesday, April 6, 2011 at 4:10 p.m. in the Council Chamber.

11. Other Business

There were no items of other business.

The meeting adjourned at 6:20 p.m.

Secretary

Chair

March 7, 2011

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