

UNIVERSITY OF TORONTO
THE GOVERNING COUNCIL

REPORT NUMBER 128 OF THE PLANNING AND BUDGET COMMITTEE

January 21, 2009

To the Academic Board,
University of Toronto

Your Committee reports that it held a meeting on Wednesday, January 21, 2009 at 4:10 p.m. in the Council Chamber, Simcoe Hall, at which the following were present:

Professor Avrum Gotlieb (Chair)	Professor Romin Tafarodi
Professor Cheryl Misak, Interim Vice-President and Provost	Professor Safwat Zaky
Ms Catherine J. Riggall, Vice-President, Business Affairs	Dr. Sarita Verma
Professor Gabriele D'Eleuterio	Non-voting Assessors:
Mr. Ryan Matthew Campbell	Ms Elizabeth Sisam, Assistant Vice-President, Campus and Facilities Planning
Mr. P.C. Choo	Mr. Nadeem Shabbar, Chief Real Estate Officer
Mr. Ken Davy	
Professor Joseph Desloges	Secretariat:
Professor Meric Gertler	Ms Alison Webb, Secretary
Professor Gregory Jump	
Dr. Young M. Kim	Regrets:
Dr. Chris Koenig-Woodyard	Professor Denise Belsham
Professor Ronald H. Kluger	Professor Wendy Rotenberg (Vice-Chair)
Professor David Mock	Mr. Stephen Smith
Mr. Tim Reid	

In Attendance:

Ms Lucy Fromowitz, Assistant Vice-President, Student Life
Ms Sheree Drummond, Assistant Provost
Professor David Klausner, Vice Dean, Interdisciplinary Affairs – Faculty of Arts
Ms Anne MacDonald, Director, Ancilliary Services
Dr. Beth Savan, Research Director and Senior Lecturer, Centre for the Environment, and Director of the Sustainability Office
Professor Mariana Valverde, Director, Centre of Criminology
Mr. Stuart Chan, Sustainability Coordinator
Ms Ashley Taylor, Sustainability Coordinator
Mr. Neil Dobbs, Deputy Secretary of the Governing Council
Mr. Henry Mulhall, Assistant Secretary of the Governing Council
Ms Mae-Yu Tan, Assistant Secretary of the Governing Council

ITEM 4 and 6 ARE RECOMMENDED TO THE ACADEMIC BOARD FOR APPROVAL. ALL OTHER ITEMS ARE REPORTED FOR INFORMATION.

1. Report of the Previous Meeting (November 27, 2008)

Report Number 127 of the meeting of November 27, 2008 was approved..

2. Business Arising from the Report of the Previous Meeting

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

3. Senior Assessor's Report

Professor Misak advised that due to the continued turmoil in the financial markets, the protective cushion in the endowment had not yet been restored and this would severely limit the University's ability to draw on endowment revenue for the \$62 million dollar payout slated for April 2009. Due to the urgency of this matter, a message had been sent to Principals and Deans that provided some thinking on ways divisions might realize savings in operating costs. However, as no systematic measures had been imposed, such as one time only or base budget cuts, there remained some uncertainty in the divisions as to how they might best achieve budgetary balance. Senior administrative and financial staff continue to work hard with divisions without the means to avoid deficits. It was apparent that a diversity of mechanisms would be required. Professor Misak assured that, in making these difficult decisions, contracted commitments and the commitment to accessibility and student aid are paramount.

In response to a question from a member, Professor Misak advised that the solutions being considered by divisions were only for the current year. Should the economic downturn continue, a further review of our strategy would be required.

With regard to capital projects, Professor Misak informed members that the Ministry of Training, Colleges and Universities (MTCU) had recently put out a call for capital submissions to address long-standing challenges of deferred maintenance on campuses, as well as fostering initiatives in teaching and research. The Courtyard Group, a consulting firm working on behalf of the provincial government, had visited the University's three campuses in December to consider the merits of the University's capital proposals. She advised that the response from the consultants had been extremely favourable and they seemed most impressed with our submissions. This was an exciting opportunity. Should the University be successful in obtaining funding for the capital projects submitted, it would mean vast improvements on all three campuses. As any such government economic stimulus initiative would require the University to move quickly should funds be awarded, the terms of reference and memberships for six new Project Planning Committees were provided for information on this agenda.

4. [Centre of Criminology: Disestablishment in the School of Graduate Studies and establishment as EDU:A in the Faculty of Arts and Science](#)

The Chair introduced Professor David Klausner, Vice Dean, Interdisciplinary Affairs for the Faculty of Arts, and Professor Mariana Valverde, Director, Centre of Criminology.

Professor Zaky informed members that the Centre of Criminology had a world-class reputation, and had achieved a strong international stature for its graduate programs. Currently, the Centre was a research and teaching unit that existed as an extra-departmental unit A (EDU:A)¹ within the School of Graduate Studies (SGS). It was proposed that the Centre be disestablished within SGS and re-established as an EDU:A in the Faculty of Arts and Science. The Faculty of Arts and Science would make a more appropriate administrative home for the Centre due to its strong interdisciplinary nature,

¹ An (EDU:A) has a well established and defined area of scholarship as a focus. The unit has attained a critical mass of interdisciplinary scholarship at the University that allows for a unit to engage in the appointment of teaching staff, admission of students to a program of graduate or undergraduate study, and engage in interdisciplinary research. The creation of an EDU:A must be approved by Governing Council.

and its connection to the undergraduate program in Criminology at Woodsworth College.

Professor Zaky advised that the administration and operating budget of the Centre of Criminology would be transferred to the Faculty of Arts and Science, and that there were no other implications for the University's budget. He further advised that everyone involved with the Centre fully supported the proposal to transfer it to the Faculty of Arts and Science.

Professor Klausner noted that establishment of the Centre of Criminology as an EDU:A within the Faculty of Arts and Science met with all three of the Faculties criteria by which it judged an application such as this: 1) self-determination; 2) strong academic rationale; and, 3) no negative financial implications.

In response to the member's question, Professor Zaky advised that all but four Centres had already moved to become academic units within faculties. Of the four that remained within the School of Graduate Studies, each would be considered on an individual basis.

On motion duly moved, seconded, and carried

YOUR COMMITTEE RECOMMENDS

THAT the Centre of Criminology be disestablished as an academic unit in the School of Graduate Studies and reestablished as an extra-departmental unit A (EDU:A) within the Faculty of Arts and Science, effective May 1, 2009.

5. Declaration of Property as Surplus to University Requirements: 245 College Street, Toronto

Mr. Shabbar, Chief Real Estate Officer, advised members that the University currently owned land at 245 College Street which had previously been leased to the University of Toronto Press, and most recently had provided temporary space for the Faculty of Engineering. Provisions in the lease had granted the University of Toronto a Right of First Refusal to purchase the property. In January 2007 a developer purchased the adjacent site, 247 College Street, and subsequently made an offer to purchase 245 College Street. Due to the strategic interest in influencing the development of sites immediately adjacent to the St. George campus, the University exercised its right to purchase the property at that time, and acquired it in March 2008.

The developer had since approached the University to explore partnership opportunities in support of their plans to build a residence on the site. While they were in a position to proceed independently to build a smaller residence on the 247 College Street footprint, the two sites combined would allow for a 30-storey, 1,250 bed residence development. For financial reasons, the University chose not to enter into a partnership, and instead considered a proposal for a land/lease relationship.

The Business Board had approved the University's contribution to the residence development in the form of a long-term (ninety-nine year) ground lease. In return, the University would receive a to-be-negotiated rent of approximately \$350,000 per annum, escalating with the consumer price index over time. In the event of default the University would have several remedies to ensure that the real estate asset was protected. This on-going revenue stream would be used to enrich student programming and services.

The ground lease would set out both terms and conditions whereby the University would control the prescribed use of the lands and building, as well as operational covenants and approvals which would allow the University the opportunity to influence the design and operation of this third party residence. Mr. Shabbar mentioned that the residence would not be built for three to four years due to the time required for such things as zoning approval and building permits. Mr. Shabbar assured members that this was an opportunity that had presented itself to the University, and that it would not only provide for the currently unmet need for additional student housing near the St. George campus, but that there was also an excellent financial payback for the University.

Ms Fromowitz, Assistant Vice-President, Student Life, advised members that while the Colleges effectively provided for the current residence needs of first-year undergraduate students, the University was not effectively meeting the residence needs of upper-year students; students from professional and second entry faculties; graduate students; exchange students, and upper-year international students. The University's Housing Committee published a report in August, 2008 and concluded that the current compliment of student housing on the St. George campus was not sufficient to meet either the current demand, or the demand in the context of the *Towards 2030* enrollment projections.

A few members expressed concern that this appeared to be a fairly significant change in residence policy. It was felt that a more substantive discussion was required, and that the Committee should have had an opportunity to review the data that supported the rationale for the proposal. Members asked for more information on the level of accountability that the University had over the residency policy in this "private-public partnership", and for more details of the proposed arrangement.

In response, Professor Misak advised this was not an indication that the University was considering a change in its residence strategy. The University had actually considered similar opportunities over the past several years to work with private developers to build residence capacity to service those students currently underserved. Other universities had experienced significant success in similar relationships with private residence providers.

Professor Misak advised that this residence would not be for the exclusive use of students from the University of Toronto and would not bear the University's name. However, through the lease agreement the University would have a say in the standards and quality of the residence facility and of the programs it offered.

Concern was expressed that this new model would compete with existing University (College) residences and had the potential of negatively impacting their summer business.

A member wondered if students would be concerned with this arrangement as they might interpret it as the privatization of residences at the University. Without University of Toronto control of the residence, its space allocations, or the rates charged, programming would be impacted and students would be in a position of having to share the facility with those from other institutions.

Professor Misak informed members that the University hoped that this non-affiliated residence would be filled with its students. However, the University would have no obligation to fill it, and therefore students from other institutions may be required. While the University would not set the rates for this residence, the developer would have to ensure that rates were competitive with both on- and off-campus housing.

Ms Fromowitz advised that the University would promote the residence in the same way that it promoted other non-affiliated student housing located near the St. George campus. She also informed members that the University managed the Chestnut Residence which housed students from the University of Toronto, as well as the Ontario College of Art and Design, and Ryerson University. Furthermore, this was not a unique arrangement. There were other non-affiliated residences at the University of Toronto, such as Tartu College and St. Vladimir Institute. Ordinarily, the University had little or no influence on standards or quality at such third-party residences. The developers of this new residence proposal, however, wanted to emulate University of Toronto standards for the benefit of the students, and had asked for a Service Level Agreement with the University.

A member commented that this arrangement for adding residence capacity would help the University achieve the academic and institutional goals contained in *Towards 2030*, and that this was an innovative idea, and a creative use of an asset being leveraged to provide needed residence spaces without an increase in the debt-load.

Members were reminded by the Chair that the Planning and Budget Committee was being asked to recommend to the Academic Board that the property was surplus to University requirements. Members

were assured that the return-on-investment for the University was appropriate and that the proposal had been reviewed by financial and legal advisors to ensure there would be no negative economic impact. Details of the full proposal had been considered by both the Real Estate Advisory Board, and the Business Board. The Business Board, which had the responsibility of “approving policy and major transactions in the business-management of the University”, had approved the transaction, subject to the declaration of the property as surplus. Members were also advised that Ms Fromowitz and Mr. Shabbar had met with the prospective operators of the residence at length to discuss expected standards; had viewed a number of facilities they currently managed at other universities; and, had met with representatives from those institutions to ensure that the residences were meeting their expectations.

A number of members felt this proposal should have gone forward to the University Affairs Board for consideration, and that any committee reviewing residences should have student members. Professor Misak advised that this was not a straight-forward quality of student and campus life issue. Should this non-affiliated residence not be up to the University of Toronto’s standards, students would not be directed there. The residence would then be filled with students from other institutions and the quality of student and campus life here would be unaffected.

The Chair noted that members had raised a number of questions that required a more detailed response than had been available at this time.

On motion duly moved, seconded and carried

Debate [on the matter of the declaration of the 245 College Street property as surplus to University requirements](#), was adjourned.

6. Joseph L. Rotman School of Management Expansion Project: Change of Scope

Ms Sisam reminded members that in September 2007, the Planning and Budget Committee recommended approval of a project that would allow for expansion of the Joseph L. Rotman School of Management. The project plan recommended 7,400 nasm (15,000 gsm) of additional space in renovations to the existing building, and in new facilities to be located on site 11, just to the south of the existing School. This project was approved by the Business Board at a total cost of \$91.8 million. Funding was from a variety of sources.

The Project Implementation Committee had been working with the consulting architects for the past year to finalize the design of the new building. This had proven to be a very difficult task given site conditions, budgetary constraints, and program space deficiencies. Although the architects had achieved greater efficiencies, and made modifications to the space program, the resulting design still did not achieve a suitable functional allocation of space, or completely accommodate the Rotman School’s program requirements. Therefore, a proposed change of scope to the project was now being requested. The proposal was for the construction of one additional floor, or 650 nasm (1,035 gsm). Ms Sisam advised that no additional budget was requested at this time.

The proposed change in scope would allow for a fully developed plan. Implementation would however be contingent on the ability of the School to obtain sufficient funding for the full project. Ms Sisam noted that the Joseph L. Rotman School of Management had successfully raised funds for the original project plan through advancement, and provincial funding was now in place, ahead of the initially anticipated six year schedule. She noted there may be opportunities to take advantage of construction efficiencies resulting from the downturn in the economy.

On motion duly moved, seconded and carried

YOUR COMMITTEE RECOMMENDS

THAT a change is project scope of approximately 650 nasm (1,035 gsm) new construction be approved for the Joseph L. Rotman School of Management expansion project with

implementation contingent on full funding of the proposed change of scope.

7. Annual Report: Sustainability

Ms Sisam advised that the Sustainability Office was a unique operation that engaged students, faculty and staff in an attempt to reduce resource consumptions. The work of the office aligned well with the efforts of Facilities and Services in seeking energy saving measures.

Ms Sisam invited Dr. Beth Savan, Research Director and Senior Lecturer at the Centre for the Environment, and Director of the Sustainability Office, to present the Annual Sustainability Report. She also introduced Ms Ashley Taylor and Mr. Stuart Chan, Sustainability Coordinators on the St. George campus.

Dr. Savan advised that the Report spanned the last fiscal year and covered all three campuses. Though each is unique, all three campuses were working together towards the common mission of creating a culture of sustainability at the University of Toronto, which would be reflected in its functions and operations. In the broadest sense of the term, sustainability referred to the ability of a system or a community to maintain itself over time. Sustainable communities met economic, social and environmental needs for the short- and long-term, which required the balancing of both present expectations with future needs.

Dr. Savan informed members that her report would highlight initiatives that:

1. reduced the environmental impact of University operations;
2. improved the financial sustainability of University operations;
3. demonstrated a strong commitment to a student engagement through coursework, research, and volunteer and internship opportunities; and,
4. supported the University of Toronto's public image in a climate of growing environmental concern.

Sustainability initiatives generated revenue and avoided costs, and the payback was often significant. In 2008, sustainability initiatives continued to leverage internal funds into external contributions to projects, reduced operational costs, and provided student internship funding. Internship subsidies provided by EcoCanada and Natural Resources Canada had helped fund five contract staff. Beyond the support of the University and outside funders, there were a number of internal and external partnerships that also contributed to sustainability initiatives at the University.

Across the three campuses, the Sustainability Offices actively engaged many community members in courses, conferences, lectures and other sustainability issues. These included: sixty work study students; eleven part-time project and summer student staff; twelve independent coursework students; twenty-five students through classes; fifty-seven students as Rewire Project coordinators; over 3,500 students through programs and events; and, a significant number of volunteers, staff and faculty.

Dr. Savan advised that the challenges for the Sustainability Board for the coming year on the three campuses included:

- creating a set of overarching sustainability objectives,;
- continued work on the development of funding mechanisms and partnerships to support the initiatives of each campus;
- continued work on the University's Environmental Policy and its associated procedures; and,
- despite tough economic times, continued dedicated efforts toward creating a culture of sustainability, through energy & resource planning, and implementation of initiatives to reduce operational costs.

In response to a member's question regarding a recent news item that identified a potential skin rash risk from compact fluorescent light bulbs, Dr. Savan advised that the problem occurred only when skin came into close contact with naked bulbs. However, as the University kept these bulbs and lighting remote from human contact, this was not a potential impact to be concerned about.

A member inquired if the Sustainability Office had considered Fair Trade goods. Dr. Savan advised

that her office had been working with procurement services to develop standards to ensure social and environmental factors were considered when making purchasing decisions.

The Chair thanked Dr. Savan for a very informative report and asked that she extend the Committee's thanks to the dedicated officers and volunteers involved with the valuable work of the Sustainability Offices.

8. Capital Project: Project Planning Committees – Membership and Terms of Reference

Members received for information the Terms of Reference and Membership for the following six Project Planning Committees:

- a) Centre for Enabling Technologies, Faculty of Applied Science and Engineering
- b) Centre for Biological Innovation
- c) University of Toronto at Mississauga Instructional Centre
- d) University of Toronto at Mississauga Science Campus
- e) Instructional Centre at the University of Toronto at Scarborough
- f) Laboratory Complex at the University of Toronto at Scarborough

9. Date of the Next Meeting

The Chair reminded members that the next meeting of the Committee was scheduled for Wednesday, February 25, 2009 at 4:10 p.m. in the Council Chamber.

10. Other Business

There was no other business.

The meeting adjourned at 6:05 p.m.

Secretary
February 3, 2009

Chair