



**FOR APPROVAL**

**PUBLIC**

**OPEN SESSION**

**TO:** UTM Campus Council

**SPONSOR:** Professor Emeritus Ian Orchard, Acting Vice-President & Principal  
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**PRESENTER:** Saher Fazilat, Chief Administrative Officer  
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**DATE:** January 22, 2020 for January 29, 2020

**AGENDA ITEM:** 6

**ITEM IDENTIFICATION:**

2020-21 Operating Plans: UTM Service Ancillaries

**JURISDICTIONAL INFORMATION:**

Under Section 5.3.1.b, the Campus Affairs Committee “considers and recommends to the UTM Council for approval the operating plans for the campus and student services ancillaries.”

**GOVERNANCE PATH:**

1. Campus Affairs Committee [For Recommendation] (January 15, 2020)
2. **UTM Campus Council [For Approval] (January 29, 2020)**
3. University Affairs Board [For Information] (March 11, 2020)
4. Executive Committee [For Confirmation] (March 24, 2020)

**PREVIOUS ACTION TAKEN:**

The 2019-20 UTM service ancillaries were recommended for approval by the Campus Affairs Committee, on January 16, 2019 and approved by the UTM Campus Council on January 30, 2019.

**HIGHLIGHTS:**

The UTM Campus Affairs Committee considers and recommends operating plans for all UTM service ancillaries on an annual basis. These plans include a management report that describes the proposed services and programs offered within the financial parameters of the University’s operating budget and financial policies set by the Business Board. The plans also include each ancillary’s annual operating budget, as well as changes to program and levels of service, categories of users, accessibility, and compulsory or optional fees. The plans include actual financial results

for the 2018-19 fiscal year, the forecast for 2019-20 and projections for the five-year period, 2020-21 to 2024-25. Only the proposed budget for 2020-21 is presented for approval.

Presented for consideration and recommendation to members are the following:

- The proposed 2020-21 Operating Plans and Budgets for the UTM Service Ancillaries, as summarized in Schedule 1 (page 19), the Service Ancillary Capital Budgets as summarized in Schedule 5 (page 25), and the Ancillary Rates in Schedule 6 (pages 26 - 28).

The detailed management reports and operating plans for each ancillary are contained in Appendix 2 (page 31 to 66).

#### Consultation:

The review and consultation process is detailed in Appendix 1, on page 29.

A number of bodies or groups continue to be involved in consultative processes for the ancillaries prior to the operating plans being submitted to the Campus Affairs Committee. The Student Housing & Residence Life operating plan is reviewed by the Student Housing Advisory Committee (SHAC) that includes membership from all residence constituencies, including graduate and undergraduate students in residence, families in residence, student staff in residence as well as representation from UTM's undergraduate Residence Council. Hospitality Services is reviewed by the Food Service Advisory Committee with membership of students (undergraduate, graduate, the UTM Student Union - UTMSU, and Residence Council), faculty and staff. Details of the Meal Plan component of Hospitality Services is also reviewed by the Resident Student Dining Committee drawing membership from each of the residences (including first and upper year townhouse clusters). The Parking operating plan is reviewed by the Transportation & Parking Advisory Committee that includes undergraduate and graduate students, faculty and staff.

All of the advisory committees (Student Housing, Hospitality Services and Transportation & Parking) were provided with an opportunity to review and give feedback on their respective ancillary's management plans, proposed rates and financials. While most of the discussion focused on the proposed 2020-21 year, long-term budget projections were also provided. The advisory committees had detailed discussions of the issues affecting each ancillary, including the following: investment in the residence facilities including the major maintenance schedule; the re-designation of the premium unreserved Lot P9 parking permit separate from the unreserved parking permit; and the various food court/outlet renovations. In addition, the ancillary operating plans and management reports were reviewed by the University of Toronto's Financial Services Department (FSD).

#### Service Ancillaries Overview:

The service ancillaries at UTM include Student Housing & Residence Life (Residence), Hospitality Services and Parking Services. These operations are measured over the long-term on their success in meeting four objectives: (i) to operate without subsidy from the operating budget; (ii) to provide for all costs of capital renewal, including deferred maintenance, furniture and

equipment; (iii) having achieved the first two objectives, create and maintain a minimum operating reserve of 10 percent of annual expenditures; and (iv) having achieved the first three objectives, contribute net revenues to the operating budget.

These service ancillaries have been continuously looking at service excellence and operational efficiencies to better serve our students, faculty and staff.

Residence continues to upgrade the older stock residences through major maintenance and capital renewal, in accordance with the Student Housing Master Plan. With the growth in demand and a growing waitlist every year, the ancillary continues to review the need for a new residence. A new residence building is being proposed, with a planned opening in Summer 2024 (subject to approval). Monetary assumptions for the new residence have been included in the long-range budget plans.

For Hospitality Services, the newly opened food court in the Davis Building further enhances the retail food offerings on campus. However, it continues to be a challenge to attract external conference groups to the campus due to the ever-changing availability of meeting rooms and also not having desired accommodation spaces available.

Parking continues to make payments towards the loan received from UTM for the parking deck; and the ancillary continues to introduce and adapt to more sustainable and technologically advanced operations while minimizing the cost increase to the patrons. There are plans to build a new parking facility (surface parking lot and an underground parking garage) as part of the construction of the new Arts, Culture and Technology (ACT) building. Monetary assumptions for the new parking facility have been included in the long-range budget plans.

#### 2020-21 Service Ancillary Operating Plans and Budgets:

The 2020-21 budget incorporates a \$0.8 million (3.0%) increase in revenues of which: \$0.9 million is from Residence; \$0.1 million from Parking Services; and Hospitality Services anticipates a decrease of \$0.2 million.

#### 2020-21 Service Ancillary Capital Budgets:

Facilities improvements and equipment purchases total \$0.1 million for Residence and \$0.1 million for Hospitality.

#### 2020-21 Service Ancillary Rates:

Most of the parking permit rates will increase by 1.5% compared to prior year. The CCT parking garage requires more maintenance and capital investment and so the permit fee will increase by 15% compared to prior year. Lot P9 will be re-designated as a Premium lot and as a result the permit fee will increase by 15% compared to prior year. Differentiated Pay & Display Daily Maximum Rates will be introduced, with the increases in line with the differentiated parking permit rates. Residence rates will increase in 2020-21 by 1.85% to 4.75%, set based on demand data and feedback from SHAC. Meal plan rates will increase by a weighted average of 3.6%,

attributed to the forecasted Food Consumer Price Index (Food CPI) and the average cheque factor in calculating the minimum tax-exempt meal plan cost.

A detailed breakdown of rate increases can be found in Schedule 6.

**FINANCIAL IMPLICATIONS:**

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

**RECOMMENDATION:**

Be it Resolved,

THAT, subject to confirmation by the Executive Committee,

THAT, the proposed 2020-21 Operating Plans and Budgets for the UTM Service Ancillaries, as summarized in Schedule 1, the service ancillary capital budgets as summarized in Schedule 5, and the rates and fees in Schedule 6, as recommended by Saher Fazilat, Chief Administrative Officer, in the proposal dated December 2, 2019, be approved, effective May 1, 2020.

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**DOCUMENTATION PROVIDED:**

UTM Service Ancillary Report on Operating Plans 2020-21

**UTM Service Ancillary Budgets  
Campus Council  
January 29, 2020**

# Service Ancillary Review Group (SARG) Objectives

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<b>Objective</b>	<b>Student Housing &amp; Residence Life</b>	<b>Hospitality</b>	<b>Parking</b>
<b>Operate without subsidy</b>	Yes	Yes	Yes
<b>Provide for capital renewal</b>	Yes	Yes	Yes
<b>10% operating reserve</b>	Yes	Yes	Yes
<b>Contribute to operating</b>	No	No	No

# Ancillary Consultation Process for Proposed Operating Plans/Budgets

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## **Student Housing Advisory Committee**

September 19<sup>th</sup>, 26<sup>th</sup>, October 3<sup>rd</sup>, 10<sup>th</sup>, 22<sup>nd</sup>

## **Food Services Advisory Committee**

October 31<sup>st</sup>, November 28<sup>th</sup>

## **Resident Housing Dining Committee**

October 23<sup>rd</sup>, November 20<sup>th</sup>

## **Transportation & Parking Advisory Committee**

October 24<sup>th</sup>, November 7<sup>th</sup>

# Forecasted Revenues/Expenditures

## 2019-20

(\$000's)

	<u>SHRL</u>	<u>Hospitality</u>	<u>Parking</u>
Revenue	16,926	4,052	4,576
Expenditures	13,862	3,371	3,494
Net operating results before transfers	3,064	681	1,082
Transfer in (out) of ancillary <sup>(1)</sup>	-	-	(1,842)
Net operating results after transfers	3,064	681	(760)
Net operating results after transfer (2018-19)	1,195	1,234	(433)

**Notes:**

<sup>(1)</sup> Transfer in Parking represents the repayment of the loan from UTM Operating for the Parking Deck



# Hospitality Services

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# Hospitality Services Budget Considerations

## Food Prices

- Trading Economics Predicts: 2.4% Inflation for Food
- Budgeted Cash Price Increase Average: 3.3%

## Meal Plans

- Minimum meal plan this year is \$2,250

### CRA Calculations for Minimum meal plan

- Projected Average Cheque 2020: \$7.50
- Minimum Tax Exempt Meal Plan Amount  
= Avg Cheque X 10 meals/week X # of weeks  
= \$7.50 x 10 x 30  
= \$2,250

## Expenses

- First full year of depreciation for Food Court, Starbucks reno, new Starbucks construction

## CCUFSA 2019-2020 Declining Balance Meal Plan Rates(Ontario Universities)

Universities with Declining Balance	First Year (Minimum)	First Year (Average)	Upper Year (Minimum)	Upper Year (Average)
UTM	\$3,720 (2)	\$4,025 (1)	\$2,240 (1)	\$2,480 (1)
York	\$3,500 (1)	\$4,250 (2)		
McMaster	\$4,355 (4)	\$4,655 (3)	\$2,995 (2)	\$3,295 (2)
University College	\$4,587 (5)	\$4,892 (4)		
Windsor	\$4,800 (6)	\$5,175 (5)		
Guelph	\$4,120 (3)	\$5,273 (6)		
Waterloo	\$4,904 (7)	\$5,304 (7)		
Western	\$5,800 (8)	\$5,800 (8)		

# Student Housing & Residence Life



# Student Housing & Residence Life Summary Statement of Operating Results

(\$000's)

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	2018-19 Actual	2019-20 Forecast	2020-21 Budget
Total Revenue	15,637	16,926	17,870
Total Expenditures	14,591	13,862	15,257
Operating results before transfers	1,046	3,064	2,613

# Parking

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## Parking

### Summary Statement of Operating Results

(\$000's)

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	2018-19 Actual	2019-20 Forecast	2020-21 Budget
Total Revenue	4,356	4,576	4,649
Total Expenditures	3,489	3,494	3,283
Operating results before transfers	867	1,082	1,366

# Summary of Proposed Fee Increases

	2020-21 % Increase	2019-20 % Increase
<b>Residence Rates</b>		
Undergraduate Students Housing (Sep 1 – Apr 30)	1.8% - 5.0%	3.8% - 15.6%
Graduate Student Housing (Sep 1 – Apr 30)	4.5%	3.8%
Medical Student Housing (Sep 1 – May 31)	4.5%	3.8%
Family Student Housing (Monthly)	3.7% - 4.5%	3.8%
<b>Meal Plan Rates</b>		
Group A Meal Plans	0.5% - 0.8%	1.8% - 2.0%
Group B Meal Plans	6.7% - 10.9%	1.7% - 1.8%
<b>Parking Rates</b>		
CCT Garage Permit	15.0% (\$178.64)	10.0%
Lot P9 Permit	15.0% (\$114.39)	2.0%
Lot P5 Permit	0% (\$0)	2.0%
Lot P4 and P8 Permit	1.5% (\$11.44)	2.0%
Lot P1	1.5% (\$33.13)	2.0%
<b>Pay &amp; Display (Daily Maximum)</b>		
CCT Garage	\$5	0%
Lot P9	\$2.5	0%
Lot P4 and P8	0%	0%