

**FOR RECOMMENDATION**

**PUBLIC**

**OPEN SESSION**

**TO:** UTSC Campus Affairs Committee

**SPONSOR:** Andrew Arifuzzaman, Chief Administrative Officer

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**PRESENTER:** See Sponsor

**CONTACT INFO:**

**DATE:** February 4, 2021 for February 11, 2021

**AGENDA ITEM:** 6

**ITEM IDENTIFICATION:**

Operating Plans: UTSC Service Ancillaries

**JURISDICTIONAL INFORMATION:**

Under the Terms of Reference for University of Toronto Scarborough Campus Affairs Committee, sections 5.1 and 5.3.1, the Committee considers and recommends to the UTSC Campus Council for approval the operating plans for the campus service ancillaries.

**GOVERNANCE PATH:**

1. **UTSC Campus Affairs Committee (For Recommendation) (February 11, 2021)**
2. University Affairs Board (For Information) (March 04, 2021)
3. UTSC Campus Council (For Approval) (March 10, 2021)
4. Executive Committee (For Confirmation) (March 25, 2021)

**PREVIOUS ACTION TAKEN:**

At its meeting held on February 11, 2020, the UTSC Campus Affairs Committee considered and recommended the 2020-21 UTSC service ancillary operating plan proposal to the UTSC Campus Council for approval. On March 10, 2020, UTSC Campus Council approved the 2020-21 service ancillary operating plans, which were presented to the University Affairs Board for information on March 11, 2020. The service ancillary operating plans received confirmation of approval from the Executive Committee on March 24, 2020.

**HIGHLIGHTS:**

The UTSC Campus Affairs Committee considers and recommends operating plans for all UTSC service

ancillaries on an annual basis. Those 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 will report on actual financial results for 2019-20, the forecast for 2020-21, and projections for the five-year period, 2021-22 to 2025-26. Only the proposed budget for 2021-22 is presented for approval.

### Consultation

The UTSC Service Ancillary operating plans are developed in a consultative process with the Office of the Chief Administrative Officer and the Financial Services Department. These plans are assessed for completeness, adherence to fiscal policies, financial feasibility and in achieving the four key financial objectives for service ancillaries. Consultation around each of these plans also occurs with stakeholder groups that are directly affected, and that form part of the advisory and decision-making structures of each operation. Students are included in these groups. The Student Housing Advisory Committee includes membership from residents at large, students living off campus in rental accommodations, residence advisor, representation from the Scarborough Campus Residence Council, and elected members from the Scarborough Campus Student Union (SCSU). The Food User Committee gathers various representatives from the UTSC community including academic staff and faculty, administration, students, and representatives from the campus' food service provider and the SCSU. The Parking Advisory Review Committee includes academic staff and faculty, administration, and students.

Each advisory group was provided with the opportunity to discuss ancillary management plans, operations, products, programs, and initiatives presented by the service ancillary. Discussions covered accessibility, hours of operations, pricing, service levels, current and future programs, and maintenance projects planned, as applicable. The various advisory committees provided feedback and guidance to topics brought forward by the service ancillaries, which were used to develop the operating plans submitted to the Committee for recommendation. The 2021-22 operating plans and management reports were also provided to University of Toronto Financial Services Department for comment. No major concerns were raised.

### Overview

Service ancillaries at the University of Toronto Scarborough include Student Housing and Residence Life, Retail and Conference Services, Food and Beverage 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.

### 2021-22 Service Ancillary Operating Plans and Budgets

Service ancillaries as a whole are budgeting net income of (\$0.0) million before transfers at April 30, 2022 on projected revenues of \$11.0 million (see Schedule 1).

2021-22 Service Ancillary Capital Budgets

The service ancillaries are budgeting capital expenditures of \$0.6 million in 2021-22 (see Schedule 5), consisting primarily of life cycle replacement of furniture in the residences and a provision for capital expenditures in the townhouses based on recommendations to come forward later this year from the student housing master plan.

2021-22 Service Ancillary Rates and Fees

Student Housing and Residence Life proposes an increase of 5% for townhouses and apartment style suites. Parking Services proposes a 10% permit fee increase for all categories of UTSC permits.

These budgets and rates provided for approval for 2021-22 are reasonable based on the operating plans, which outline the opportunities and ongoing challenges facing the ancillaries, with the understanding that there will be continuing work to address various issues.

**FINANCIAL IMPLICATIONS:**

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

**RECOMMENDATION:**

Be It Recommended,

THAT the 2021-22 operating plans and budgets for the UTSC Service Ancillary, as summarized in Schedule 1; the Service Ancillary capital budgets as summarized in Schedule 5; and the rates and fees in Schedule 6, as presented in the Service Ancillary Report on Operating Plans dated January 05, 2021, be approved effective May 1, 2021.

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**DOCUMENTATION PROVIDED:**

Service Ancillary Report on Operating Plans, 2021-22

# Service Ancillary Operating Plans

Campus Affairs Committee Meeting  
February 11, 2021

## Operating Fund Budget

- Student tuition and government grants for academic and administrative expenses

## Student Service Fees

- For student programming and services

## Ancillary Budgets

- Funded exclusively by the users of the service

- ✓ Must be fully self-funding
- ✓ Provide services to all internal users as well as external users
- ✓ Adhere to four financial objectives:

- 1) Operate without subsidy from the University's operating budget;
- 2) Provide for all costs of capital renewal including deferred maintenance;
- 3) Create and maintain an operating reserve; and
- 4) Contribute net revenues to the operating budget.

- ❖ Student Housing & Residence Life  
Greg Hum
- ❖ Retail & Conference Services  
Fran Wdowczyk
- ❖ Food & Beverage Services  
Fran Wdowczyk
- ❖ Parking Services  
Gary Pitcher → Tanya Poppleton



## 2021-22 Operating Plans

	<b>Student Housing &amp; Residence Life</b>	<b>Retail &amp; Conference Services</b>	<b>Food &amp; Beverage Services</b>	<b>Parking Services</b>
(000's)				
Revenue	\$ 6,163	\$ 1,579	\$ 791	\$ 2,465
Expense	6,300	1,576	810	2,328
<b>Net Income</b>	<b>(137)</b>	<b>3</b>	<b>(19)</b>	<b>137</b>
<b>Capital Expenses</b>	<b>\$ 590</b>	<b>\$ 10</b>	<b>\$ 10</b>	<b>\$ 10</b>
<b>Net Assets</b>	<b>\$ 4,975</b>	<b>\$ 1,266</b>	<b>\$ 474</b>	<b>\$ 13,575</b>



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# Student Housing & Residence Life

# Student Housing and Residence Life

*"To provide the residence experience; a transition to independence in a vibrant on-campus community that supports academic achievement and personal growth"*

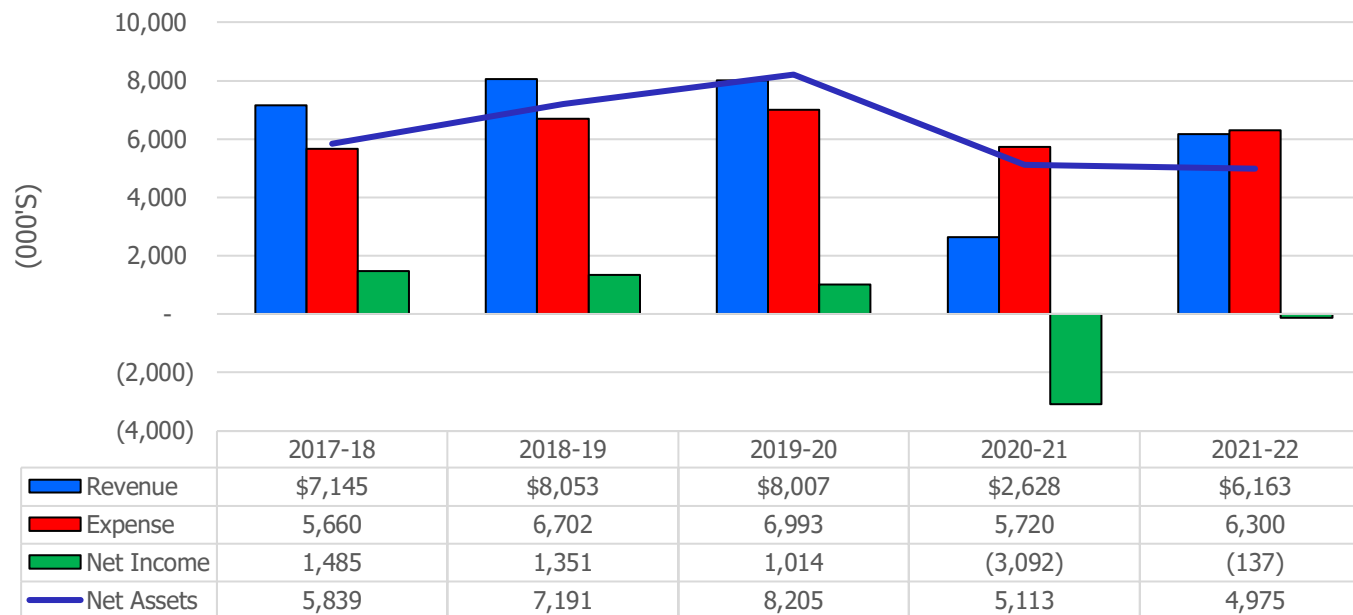
Key Accomplishments this year:

- Navigated the COVID-19 pandemic.
- Re-wrote the Residence Programming and Residence Conduct models.
- Increased collaborations with campus departments to meet the COVID-19 challenges.
- Completed much-needed facilities work.

# Student Housing and Residence Life

**Achievement:** Managed the challenges of COVID-19 while keeping our residents safe.

**Challenge:** Maintain and renew the aging facilities and rebuild depleted reserves without pricing students out of residence (5% increase in 2020-21).



## 2021-22 Proposed Fees

<u>DESCRIPTION</u>	<u>2020-21</u>	<u>% Change</u>	<u>2021-22</u>	<u>Inc. / (Dec.) per Month</u>
<b><i>Fall/Winter Rates</i></b>				
Phase I - III single	\$ 9,439	5.0%	\$ 9,911	\$ 59.00
Phase I - Small Room (I Room)	\$ 8,460	5.0%	\$ 8,883	\$ 52.88
Phase IV single	\$ 10,610	5.0%	\$ 11,140	\$ 66.31
Phase I shared	\$ 6,989	5.0%	\$ 7,339	\$ 43.68
Phase I shared basement	\$ 6,291	5.0%	\$ 6,605	\$ 39.32
Phase IV Shared	\$ 7,908	5.0%	\$ 8,304	\$ 49.43
<b><i>Summer Rates</i></b>				
Phase I-III (academic term May 8 - August 27)	\$ 4,472	5.0%	\$ 4,695	\$ 55.90
Visitor Weekly Rate	\$ 279	5.0%	\$ 293	
Ph IV-Foley Hall (academic term May 8 - August 2)	\$ 4,792	5.0%	\$ 5,032	\$ 59.90
Visitor Weekly Rate	\$ 299	5.0%	\$ 314	



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# Retail & Conference Services

*"To provide inclusive and excellent customer service that satisfies the multi-faceted needs of our external clients, students, faculty and staff"*

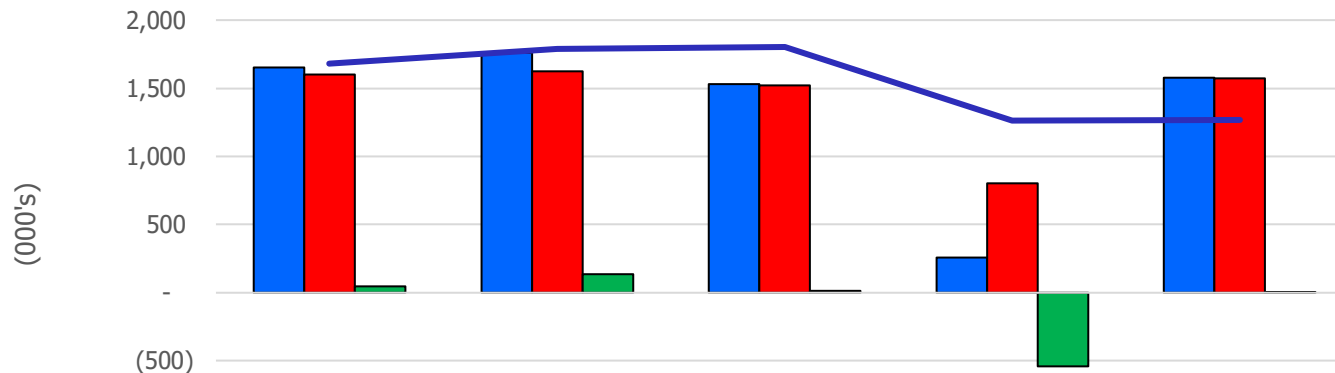
Activities and programs, in a normal year, are:

- Facility rentals for meetings, events and conferences
- Logistics support to International Academic Programs and Initiatives (IAPI) summer groups
- University experience summer camps
- Logistics support for various television and commercial film shoots

# Retail and Conference Services

**Achievement:** Introduced online summer camp in place of on-campus camp and maintained film shoot revenues.

**Challenge:** To rebuild conference business and reserves to pre-COVID-19 levels.



	2017-18	2018-19	2019-20	2020-21	2021-22
Revenues	\$1,652	\$1,762	\$1,533	\$260	\$1,579
Expenses	1,604	1,625	1,521	803	1,576
Net Income	48	137	12	(543)	3
Net Assets	1,680	1,792	1,805	1,262	1,266





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# Food & Beverage Services

# Food and Beverage Services

*"Enhance student life experience and client experience while seeking opportunities for growth"*

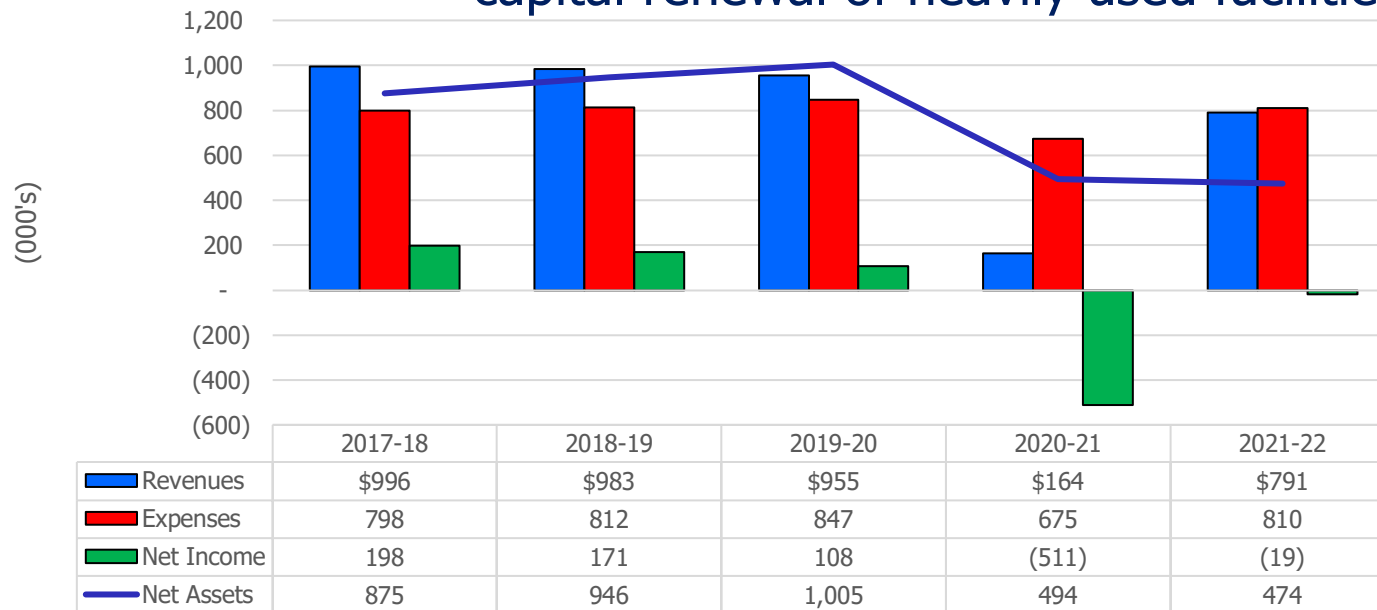
Key accomplishments and projects:

- Introduced online food ordering app
- Introduced "meal in a box" program
- Enhancing student meal experiences through community partnerships. (Summer Grocery Program)
- New vending machine offerings

# Food and Beverage Services

**Achievement:** Sustained a baseline level of on-campus service for students, faculty and staff. Mitigated financial losses by revising our agreement with Aramark.

**Challenge:** Rebuilding reserves for expansion and ongoing capital renewal of heavily used facilities.





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# Parking Services

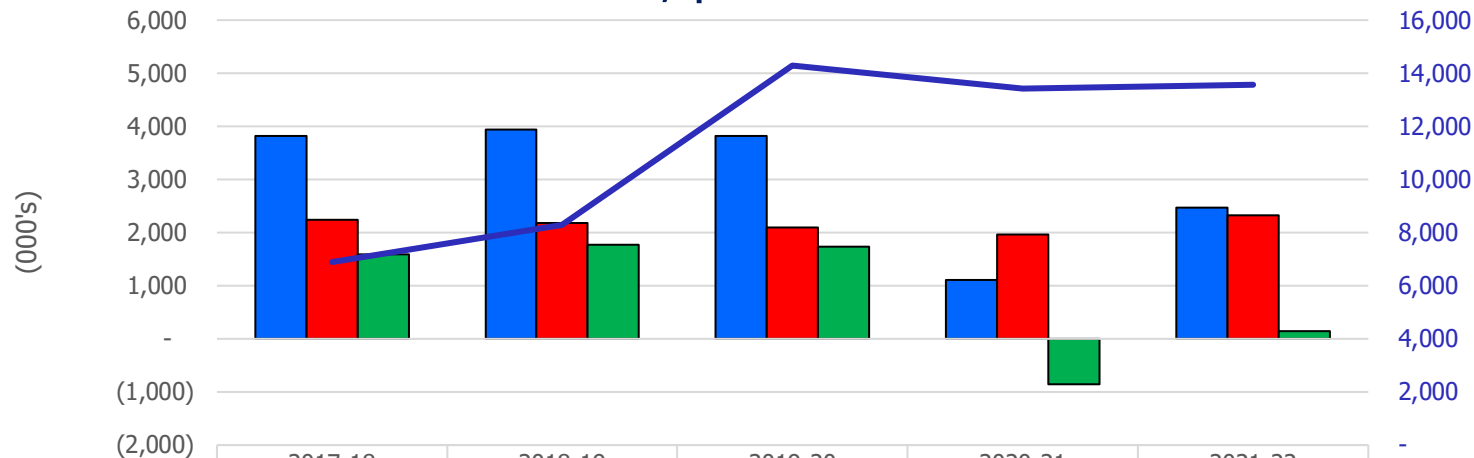
*"Providing quality parking facilities and services in a safe, effective environment"*

*Goals and objectives:*

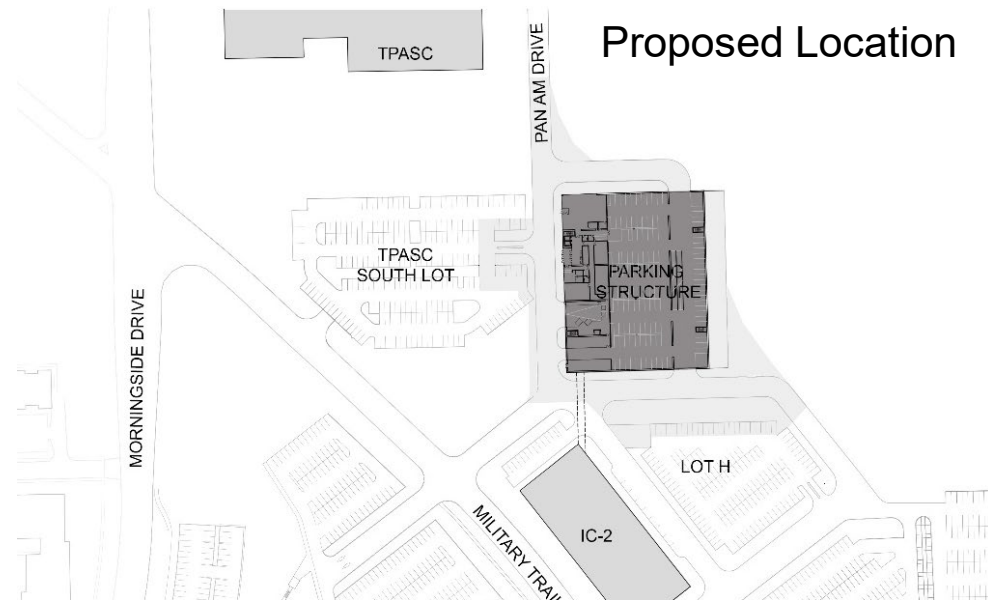
- Operate and maintain UTSC's surface parking lots while building a capital reserve fund to help finance the construction of an above-ground parking structure.
- 10% permit fee increase in 2020-21 as we transition to a new parking structure.

**Achievement:** Parking structure design committee is working toward a final design.

**Challenge:** Maintain sufficient surface parking during the construction on the north campus. Rebuild reserves, post-COVID.



	2017-18	2018-19	2019-20	2020-21	2021-22
Revenues	3,826	3,944	3,823	1,108	2,465
Expenses	2,237	2,178	2,094	1,966	2,328
Net Income	1,589	1,766	1,729	(858)	137
Net Assets	6,899	8,299	14,295	13,437	13,575



- Parking structure critical to north campus development, including IC2 and Indigenous House
- By-laws require parking sufficient for new buildings
- Structure will replace surface spaces used for development, meet customer needs on the north campus, and provide sufficient spaces to meet by-law requirements for next phases of construction



Parking Structure, City of Santa Monica, CA  
- Behnisch Arcitekten



Ohio State University Lane Avenue Garage  
- Acock Associates Architects

## Peer Building Examples



## 2021-22 Proposed Fees

<u>DESCRIPTION</u>	<u>LOT</u>	<u>2020-21</u> Approved	<u>2021-22</u> Proposed	<u>% Change</u>
<b>PERMITS:</b>				
<u>South Lots:</u>				
Annual, South Lot Employee Premium	C, D	\$1,412.67	\$1,553.94	10.0%
Annual, South Lot Employee Reserved		\$1,878.86	\$2,066.75	10.0%
Annual, Ring Road Employee	B	\$1,271.41	\$1,398.55	10.0%
Summer Term	C, D	\$282.55	\$310.81	10.0%
Residence, Fall/Winter Term	C, D	\$1,000.12	\$1,100.13	10.0%
Residence, Winter Term	C, D	\$560.07	\$616.08	10.0%
Residence, Summer Term	C, D	\$250.04	\$275.05	10.0%
Evening Payroll, Employee Annual	C, D	\$652.05	\$717.26	10.0%
<u>North Lots:</u>				
Annual North Lot, Premium (Lot K)	K	\$1,412.67	\$1,553.94	10.0%
Annual North Lot, Payroll Employee	G, H	\$1,086.69	\$1,195.36	10.0%
Student, Fall/Winter	G, H	\$868.72	\$955.59	10.0%
Monthly Student North Lot Permit	G, H	\$121.62	\$133.78	10.0%
Fall or Winter Term	G, H	\$486.48	\$535.13	10.0%
Summer Term	G, H	\$217.98	\$239.77	10.0%
Centennial Permit (September to May)	J	\$963.56	\$1,011.73	5.0%
Centennial Summer Permit	J	\$481.78	\$505.87	5.0%

## 2021-22 Proposed Fees, continued ...

<u>DESCRIPTION</u>	<u>LOT</u>	<u>2020-21</u> Approved	<u>2021-22</u> Proposed	<u>% Change</u>
<b>CASH PARKING:</b>				
<u>South Lots:</u>				
Peak period hourly rate	A	\$ 4.00	\$ 4.00	0.0%
Flat Rate, Evening		\$ 7.00	\$ 7.00	0.0%
Flat Rate, Weekend		\$ 7.00	\$ 7.00	0.0%
Summer conference - daily rate		\$ 6.00	\$ 6.00	0.0%
Summer conference - youth bed rate		\$ 2.00	\$ 2.00	0.0%
<u>Instructional Center Lot K: Currently Permits Only</u>				
Flat Rate, Day	K	\$ 16.00	\$ 16.00	0.0%
Flat Rate, Evening		\$ 7.00	\$ 7.00	0.0%
Flat Rate, Weekend		\$ 7.00	\$ 7.00	0.0%
<u>Lots F, G and H (North Lots):</u>				
Flat Rate, Day	F, G, H	\$ 10.00	\$ 10.00	0.0%
Flat Rate, Evening		\$ 6.00	\$ 6.00	0.0%
Flat Rate, Weekend		\$ 5.00	\$ 5.00	0.0%

Be It Recommended to the UTSC Campus Council,

*THAT the 2021-22 operating plans and budgets for the UTSC 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 presented in the Service Ancillary Report on Operating Plans dated January 5, 2021, be approved, effective May 1, 2021.*



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# Questions?



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Service Ancillary Report on Operating Plans

2021-22

January 5, 2021

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## Introduction

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Service ancillaries at University of Toronto Scarborough (UTSC) consist of the following: Student Housing and Residence Life, Conference Services, Food and Beverage Services, and Parking Services. These services complement the academic mission and are funded through user fees and are mandated to do so on a financially self-sustaining basis.

Student Housing and Residence Life (SHRL) operates UTSC's residences. This includes resident intake, financial administration, and property management services. SHRL also provides residence life services to enhance the quality of the student experience for students living in residence.

Conference Services makes UTSC premises available on a fee-paying basis when they are not in use for academic purposes. In addition to conferences, this ancillary operates a summer camp and markets the campus as a venue for movie shoots. This ancillary also assists in the administration of UTSC's International Academic Programs and Initiatives programs, which provide pre-university orientation and English language proficiency courses to international students from China.

Food and Beverage Services maintains UTSC's food services facilities and manages food vendor relationships to deliver a wide range of food options and healthy campus initiatives. This ancillary also oversees UTSC's T-Card program.

Parking Services operates and maintains UTSC's surface parking lots while building a capital reserve fund to help finance the construction of an above-ground parking structure.

These services are measured over the long-term on their success in meeting the following four financial objectives:

1. To operate without subsidy from the operating budget. Should the need for a 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 the first two objectives, create and maintain an operating reserve (excluding capital requirements) at a minimum level of 10 percent of annual expenditure budgets (net of cost of goods sold, capital renewal costs,

and deans' and dons' expenses), as protection against unforeseen events, which would have a negative financial impact on the operation.

4. Having obtained the first three objectives, service ancillaries will contribute net revenues to the operating budget (for purposes of clarification, the fourth objective relates to all contributions of net revenues made by the ancillary operation to any operating budget outside of their own operation). The rate of contribution is established by each campus for each individual ancillary.

## **COVID-19 Impact on Ancillary Services**

To maintain the health & safety of students, faculty and staff, the campus was effectively closed in mid-March 2020 and there continues to be only a limited amount of on-campus activity. This is likely to endure for the remainder of this academic year and beyond.

The financial performance of ancillaries is directly related to the amount of on-campus activity, therefore, the pandemic and the resulting lockdown has had a significant financial impact on all ancillary services.

Student Housing and Residence Life. The number of students living in residence has been significantly reduced due to restrictions on international travel, the need to reduce occupancy to comply with public health protocols, and the desire to maintain some empty townhouse units in reserve for emergency and quarantine situations. With occupancy rates of 17% for the Fall term and 22% for the Winter term, a revenue shortfall of \$6.2M is projected. To mitigate this revenue loss, this ancillary implemented cost saving measures by deferring projects and not filling three vacant positions. Next year, this ancillary will continue to operate cautiously by maintaining single room occupancy, having a maximum of three students per unit, and leaving some of its townhouse units vacant for emergency and quarantine situations.

Conference Services. Public health limitations on the number of people attending indoor events caused most of this ancillary's activities to be cancelled, postponed or moved online. The Green Path program, the largest and most profitable client of Conference Services, was delivered online; therefore, this ancillary lost about \$700,000 of accommodation revenues. CAMP UTSC was also moved online with 72 registrations, far less than the 836 registrations in the previous year. To mitigate losses, this ancillary was able to attract several film shoots and redeployed staff to other business units. Next year, this ancillary may experience similar financial



challenges if COVID-19 restrictions continue and if the Green Path program must be delivered online once again.

Food Services. Since the closure of the campus, Food Services has ceased a majority of its operations. With very few students, staff and faculty on campus, sales at the one remaining Tim Hortons outlet have been only \$700 to \$900 per day, compared to normal volumes of \$15,000 to \$20,000 per day. Commission income for this ancillary has reduced accordingly. To mitigate these losses and to reflect the significant change in the business environment, UTSC and Aramark entered into an Amending Agreement, where Food Services receives a lump sum payment of \$160,000 for the current contract year (August 4, 2020 to August 3, 2021). To keep students living on campus socially distanced and accommodate their meal requirements, a mobile ordering app was introduced. The app allows students to order online and have a meal delivered in a box right to their room. Furthermore, groceries can be purchased on a TCard and delivered to a student residence. Next year, this ancillary may experience similar financial challenges if on-campus activity remains limited.

Parking Services. Upon the closure of the campus, the parking gates were opened and parking fees were waived, given the limited amount of parking activity. However, parking fees were reinstated in September 2020. A revenue shortfall of \$2.3M is projected for 2020-21. To mitigate losses, some projects and expenses were deferred. Next year, this ancillary may experience similar financial challenges if on-campus activity remains limited.

## **Capital Projects and the Impact on Ancillary Operating Budgets**

Two major capital projects are now in progress: a new residence, which is under construction, and a parking structure, which is in the design phase.

The status of these capital projects and their impact on the operating budgets during the five year planning horizon are as noted below.

### **New Residence**

Construction of UTSC's new 750 bed residence is now under way and is expected to be ready for occupancy by the summer of 2023. This residence will provide dormitory style accommodation, a dining hall with a mandatory meal plan and residence life services.

The residence is owned by a limited partnership, which has entered into a ground lease with the University. An equity investor is the limited partner and the University is the general partner.

The University will provide all of the services that apply to University-owned residences, including residence life and building operation services.

The financial impact on the Residence ancillary's operating budgets, starting in the 2023-24 year, is limited to residence life services, which will be delivered by this ancillary and which will be funded by the limited partnership.

Building operation services will be delivered through agreements between the limited partnership and UTSC's Facilities Management Department. Services will be provided by Facilities Management directly or by third parties contracted by Facilities Management, in much the same manner as building services are delivered to the existing residence stock.

### **Parking Structure**

UTSC is planning to build a parking structure to replace parking spaces which are being displaced by the new student residence (now under construction), the new IC2 academic building (construction to begin in 2021) and by other buildings being planned on the north campus, all as per the campus master plan. The parking structure will also provide additional parking spaces needed for the new buildings, in compliance with City of Toronto by-law requirements and will provide access to an integral central shipping/receiving loading dock and tunnel to several new academic buildings including IC2, Performing Arts Center and the Scarborough Academy of Medicine and Integrated Health.

UTSC is now working with an architect on design alternatives.

Various funding and financing models are being considered in order to pay for the capital costs of the parking structure. The financial models do not yet include these costs, nor the financial implications of how they might be funded or financed. Central debt is being considered as part of the funding model.

### **Impact on Ancillary Operating Budgets**

The new residence and the parking structure will have significant financial opportunities and impacts across the ancillaries towards the end of the five year planning period.

Some of these impacts are well known and can be precisely modelled; some can only be estimated at this time. In some cases, business details will need to be modeled to reflect changes in the structures and as a result have not been included in this submission but will be updated in the following year.

### **Impact on Student Housing and Residence Life (SHRL)**

The new residence coming online has a new model from the existing residence stock and as a result fees will flow through the University to the UTSC Residence Limited Partnership (LP) to cover the expenses of operations of the new student residence.

The LP will cover the operating costs of the residence student life and funds will flow back to SHRL. The revenue from the LP and all associated costs are included in this ancillary's budget, following the opening of the new residence.

The additional capacity provided by the new residence will provide an opportunity for UTSC to consider future options for its aging residence stock. Therefore, UTSC is undertaking a residence master planning project this year to consider how to best make use of this asset going forward, including whether any of the existing stock should be repurposed for upper year students, graduate students, and family housing. This plan will also determine what renovations will be required and how they can be funded and financed.

While the conclusions of the master plan cannot be predicted in advance, the plan is almost certain to recommend a wholesale renovation of Phase I, which is now more than 45 years old. Therefore, the budget assumes that Phase I will be taken out of service in the 2023-24 year when the new residence opens. Revenues and some costs have been adjusted accordingly. The budget model also assumes that other townhouse residence blocks will be gradually taken out of service for rehabilitation thereafter.

Capital costs associated with this rehabilitation are not yet budgeted, as it would be premature to do so without the completion of the master plan.

Estimated capital costs and proposed funding sources will be included in next year's budget submission, following the completion of the master plan report.

### **Impact on Parking Services**

The construction of a parking structure will have significant financial implications for this ancillary. Capital costs are likely to be in the range of \$65 million to \$80

million, depending on the number of parking spaces built, probably between 900 and 1,250. A range of funding and financing alternatives are being considered, including contributions from the ancillary's reserves, payable and non-repayable contributions from the Operating fund, and recoveries from the capital budgets of other projects which will displace current parking spaces. Thus far, \$4.6 million has been advanced from the Operating fund to pay for design consultant fees.

The financial model assumes an annual fee increase of 10% for each of the next five years to rebuild new construction reserves which will be depleted by the cost of the parking structure and to repay amounts advanced from the Operating fund, (terms yet to be determined), following the opening of the parking structure.

### **Impact on Food and Beverage Services**

The construction of the new residence, including a dining hall, provides an opportunity for UTSC to introduce a meal plan, which will be mandatory at the new residence.

Some high-level assumptions have been made in the financial model regarding this, beginning in the 2023-24 year when the new residence opens.

It is assumed that food services will be provided by a contract provider, which will fit out the kitchen and receive a percentage of the gross proceeds (similar to what applies now at UTSC); that a negotiated fixed payment will be made to the Residence LP in return for providing the service of the LP's premises; that the program will be offered through the TCard+ program, which will take a commission (amount yet to be determined); and that the residual amount will be revenue for Food Services.

The assumptions in this budget model will likely be revised in future budgets as the contractual relationships between UTSC, the Residence LP, a contract food service provider and One Card are concluded.

The meal plan will likely appeal to some residents in the current residences. Therefore, the budget model assumes that some of the residents in the current residences will choose to purchase a meal plan at the new residence.

### **Impact on Conference Services**

The new residence, complete with dining hall and summer capacity for academic conferences, together with the Highland Hall event centre, will provide an

opportunity for this ancillary to compete for larger summertime conferences than has been possible up to now. This will allow Conference Services to diversify beyond its current business lines; i.e. management services to the IAPI program, operating the summer camp and film shoots.

Leveraging these facilities will provide an exciting new opportunity for this ancillary, but discussions about how to best develop this opportunity are still in the early stages. Therefore, the budget model assumes that only the current business lines and revenue streams will apply throughout the planning period. However, this is likely to be refined when the new residence opens and this opportunity becomes more fully developed.

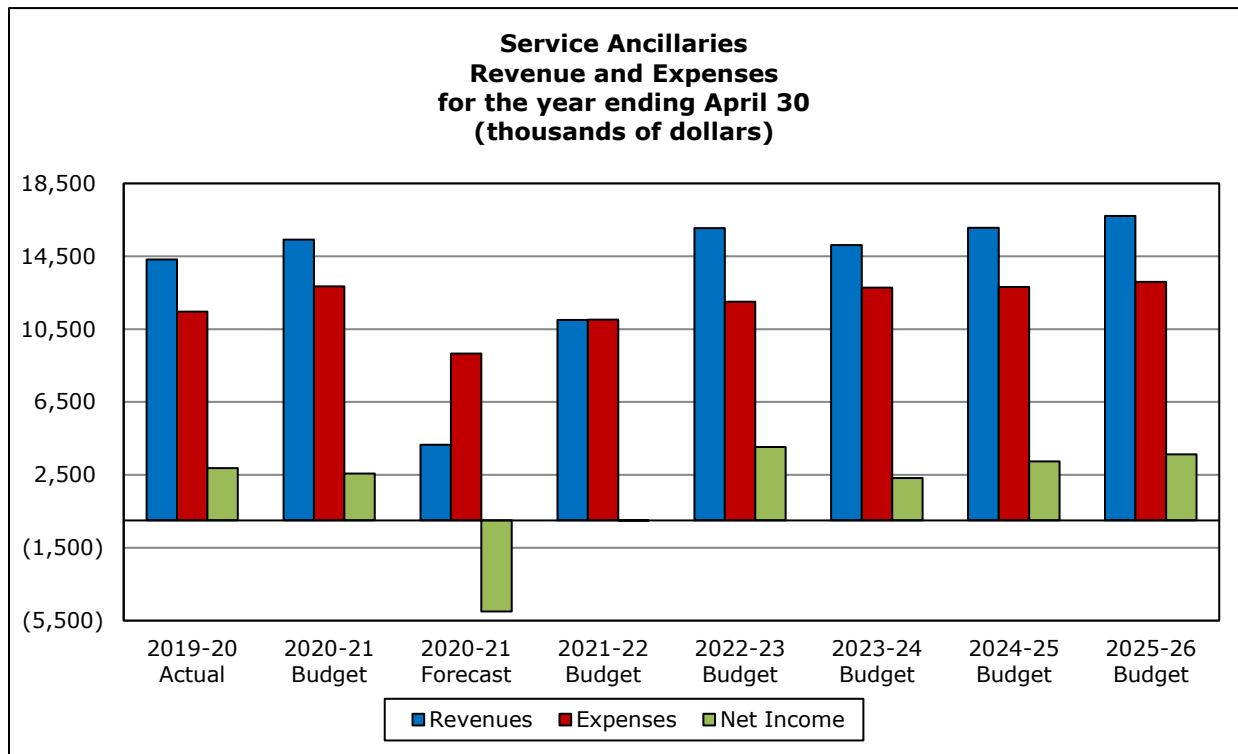
## **Summary**

This report includes highlights of the 2020-21 forecasts, 2021-22 budgets, and long-range operating plans for each ancillary. This report also includes financial summaries of each ancillary.

The financial implications of the two capital projects have been built into the ancillary budgets where they can be quantified or estimated and are also noted in the narrative of each ancillary. As the financial elements of these plans become better defined, the budgets in future years will become more precise.

As already noted, the financial implications of these capital projects primarily affect years 3-5 of the planning period. The proposed budgets for the 2021-22 year are for the most part on a "business as usual" basis except where COVID-19 issues affecting the amount of on-campus activity may continue to apply.

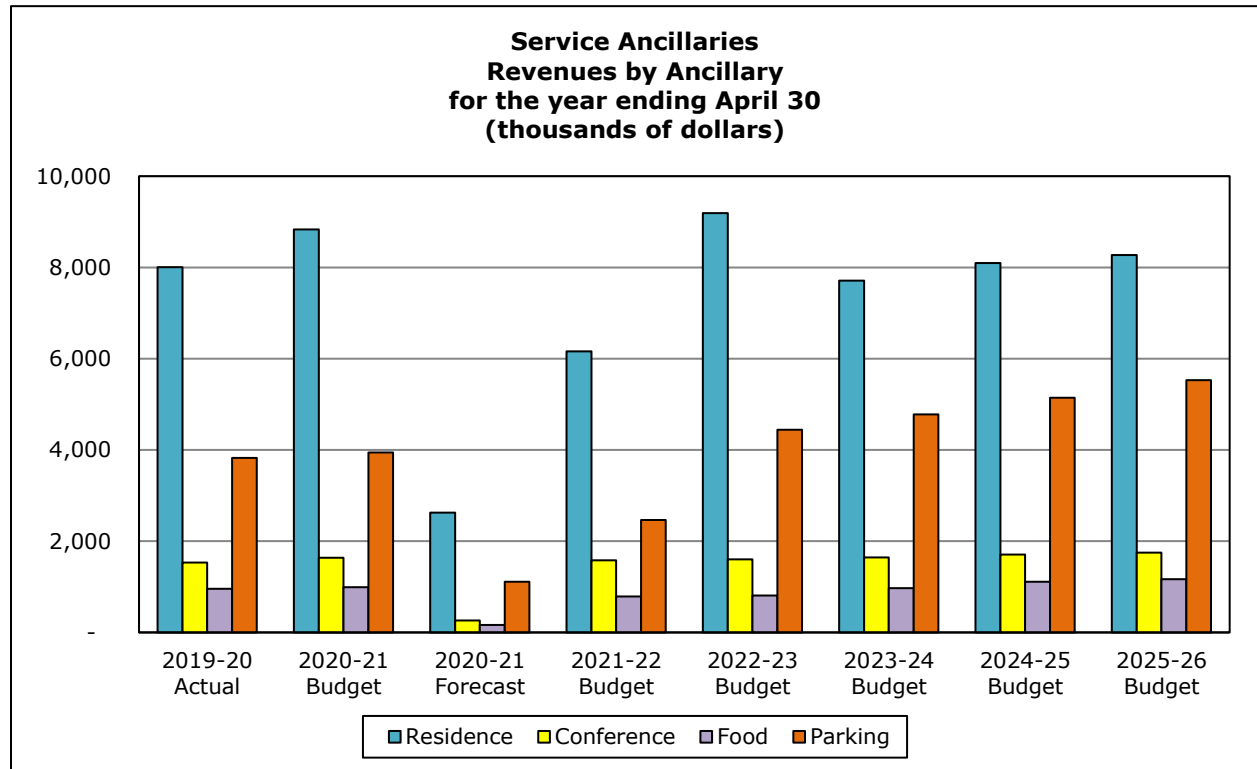
## Financial Summary



	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024- 25 Budget	2025-26 Budget
<b>Revenues</b>	14,318	15,411	4,160	10,998	16,043	15,111	16,058	16,717
<b>Expenses</b>	11,455	12,846	9,164	11,014	12,007	12,778	12,821	13,094
<b>Net Income</b>	2,863	2,565	(5,004)	(16)	4,036	2,333	3,237	3,623
<b>% Δ Revenue</b>		7.6%	-73.0%	164.4%	45.9%	-5.8%	6.3%	4.1%

UTSC service ancillaries are forecasting net loss of \$5.0 million before transfers as at April 30, 2021 on projected revenue of \$4.2 million. The forecasted net loss represents a \$7.9 million decrease from last year's net income of \$2.9 million. Net income projections for 2020-21 will be below budget by \$7.5 million. This is mainly due to the COVID-19 pandemic, which caused unfavourable variances to all ancillaries, with \$4.0 million attributed to Residence, \$2.3 million to Parking, \$0.6M to Food, and \$0.6 million to Conference.

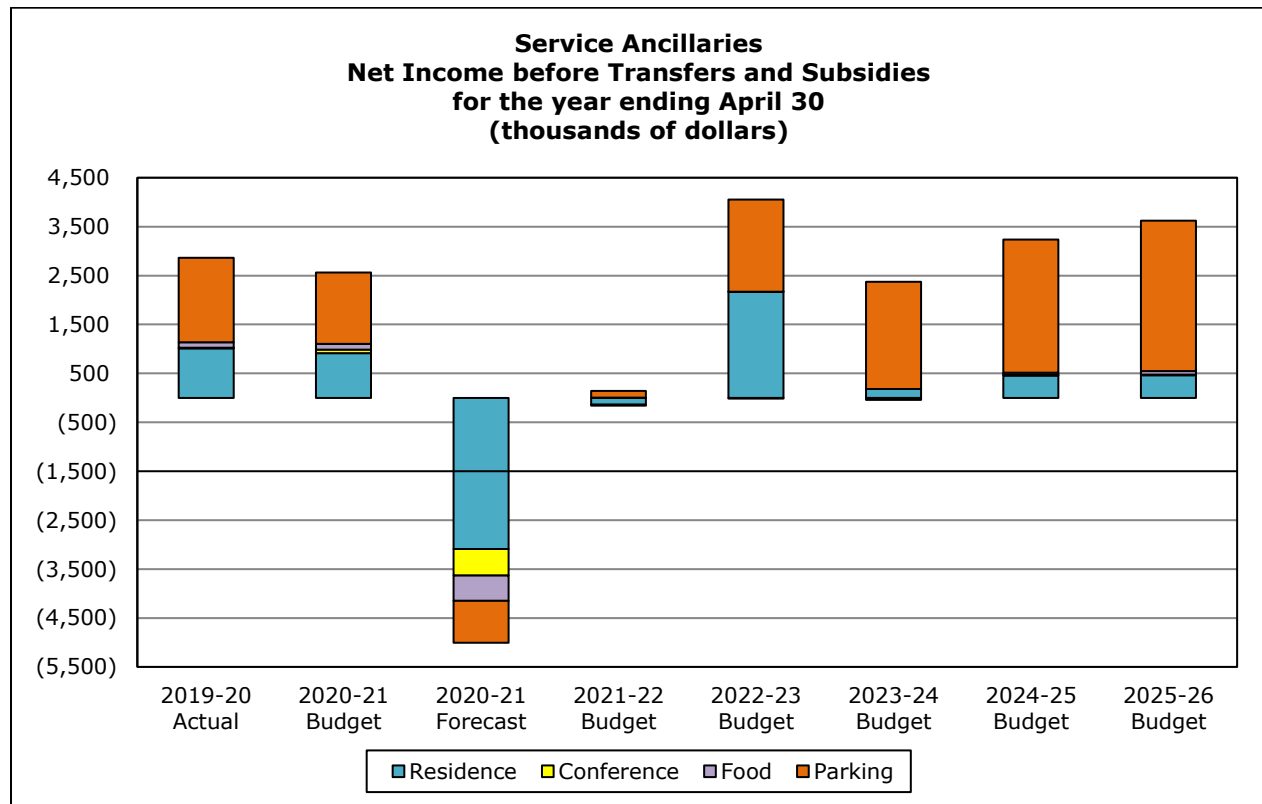
For the 2021-22 budget, the service ancillaries are projecting an almost break-even position, with \$11.0 million of revenues and \$11.0 million of expenses. Compared to the 2020-21 forecast, the -\$0.0 million net income is an increase of 99.7%, a result from an increase of 164% in revenues and increase of 20.0% in expenses.



	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
<b>Residence</b>	8,007	8,832	2,628	<b>6,163</b>	9,190	7,712	8,099	8,270
<b>Conference</b>	1,533	1,638	260	<b>1,579</b>	1,604	1,647	1,704	1,752
<b>Food</b>	955	993	164	<b>791</b>	809	973	1,114	1,167
<b>Parking</b>	3,823	3,948	1,108	<b>2,465</b>	4,440	4,779	5,141	5,528
<b>Total Revenue</b>	14,318	15,411	4,160	<b>10,998</b>	16,043	15,111	16,058	16,717
<b>Expenses</b>	11,455	12,846	9,164	<b>11,014</b>	12,007	12,778	12,821	13,094
<b>Net Income</b>	2,863	2,565	(5,004)	<b>(16)</b>	4,036	2,333	3,237	3,623

## Net Income

Forecasted net loss for 2020-21 is \$5.0 million before transfers and subsidies, which is \$7.5 million lower than budget. The largest contributors to this decrease are Residence (\$4.0 million), Parking (\$2.3 million), Food (\$0.6 million), and Conference (\$0.6 million). This is primarily due to the COVID-19 Pandemic, which forced the closure of the campus in mid-March 2020 and caused a significant drop in the ancillaries' revenues. The drop in revenues were partially offset by a reduction in program/service costs and discretionary spending.



	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
<b>Residence</b>	1,014	917	(3,092)	<b>(137)</b>	2,168	179	455	462
<b>Conference</b>	12	69	(543)	<b>3</b>	3	1	14	15
<b>Food</b>	108	120	(511)	<b>(19)</b>	(17)	(42)	43	72
<b>Parking</b>	1,729	1,459	(858)	<b>137</b>	1,882	2,195	2,725	3,074
<b>Net Income</b>	2,863	2,565	(5,004)	<b>(16)</b>	4,036	2,333	3,237	3,623



Net income is projected to be just below break-even in 2021-22, which is \$5.0 million better than the 2020-21 forecast. This improvement is due to an expectation that on-campus activity will return to something closer to pre-COVID-19 levels next year.

The outlook for net income for the ancillaries as a whole during the five-year planning period trends upward, with a projected increase of \$3.6 million from 2021-22 to 2025-26. Net income from Residence will decrease significantly if its existing residence stock will be decommissioned for rehabilitation in instalments, beginning in the 2023-24 year. Provision for this has been built into the Residence budget, pending recommendations to come from the residence master plan. Please note that the projected financial results of the Parking ancillary do not yet include the financial impact of the new parking structure, which will result in much higher depreciation and debt service costs. Therefore, the net income growth for the ancillaries as a whole during the later years of the five year planning horizon is likely to be less than what is presented in the above table.

## Net Assets

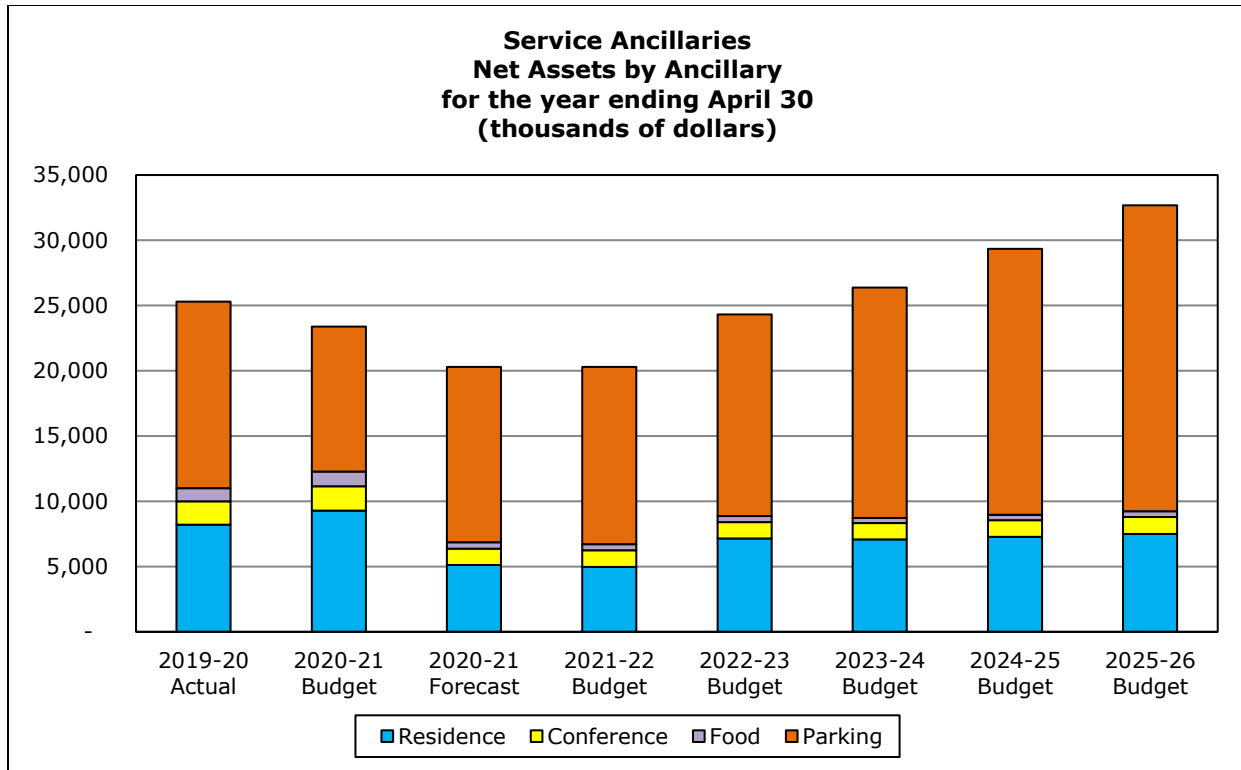
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Net Assets represents the cumulative surpluses earned by the service ancillaries since their inception. Over time, net assets change due to net income or loss for the year and transfers in and out of the ancillary.

Net assets may be subdivided as follows; the sum of these represent the total net assets of each ancillary:

- Unrestricted net assets category consist of net assets on hand that have not been set aside for any of the specific purposes listed below.
- Reserves, such as the operating reserve, capital renewal reserve and new construction reserve, represent that portion of net assets which have been set aside for these specific purposes.
- Investment in capital assets represents university funds that have previously been spent on capital assets, net of accumulated amortization and net of any debt incurred to fund the capital expenditure. When funds are spent on capital assets, investment in capital assets increases with an offsetting decrease in unrestricted net assets. Annual amortization expenses cause the balance in investment in capital assets to decrease and cause unrestricted net assets to increase by a corresponding amount. Repayment of debt incurred to acquire capital assets causes investment in capital assets to increase.

The following chart shows the history of actual net assets for service ancillaries from 2019-20 to 2025-26:



	<b>2019-20 Actual</b>	<b>2020-21 Budget</b>	<b>2020-21 Forecast</b>	<b>2021-22 Budget</b>	<b>2022-23 Budget</b>	<b>2023-24 Budget</b>	<b>2024-25 Budget</b>	<b>2025-26 Budget</b>
<b>Residence</b>	8,205	9,284	5,113	<b>4,975</b>	7,143	7,073	7,278	7,489
<b>Conference</b>	1,805	1,861	1,262	<b>1,266</b>	1,269	1,270	1,283	1,298
<b>Food</b>	1,005	1,136	494	<b>474</b>	457	385	398	445
<b>Parking</b>	14,295	11,108	13,437	<b>13,575</b>	15,455	17,650	20,375	23,449
<b>Total</b>	25,310	23,389	20,306	<b>20,290</b>	24,324	26,378	29,334	32,681

For 2020-21, the service ancillaries are forecasting total net assets of \$20.3 million. The 2021-22 operating plan projects total net assets of \$20.3 million.

Projected total net assets of \$20.3 million in 2021-22 consist of \$0.2 million in unrestricted surplus, \$1.5 million in operating reserves, \$3.6 million invested in capital assets, \$0.9 million capital renewal reserves, and \$14.1 million of new construction reserves.

**Service Ancillaries  
Net Assets by Category  
for the budget year 2021-22  
(thousands of dollars)**

	<b>Unrestricted Surplus/ (Deficit)</b>	<b>Operating Reserve</b>	<b>Invested in Capital Assets</b>	<b>Capital Renewal Reserve</b>	<b>New Construction Reserve</b>	<b>Total Net Assets</b>
<b>Residence</b>	-	457	2,454	653	1,411	4,975
<b>Conference</b>	237	790	133	6	100	1,266
<b>Food</b>	-	34	419	21	-	474
<b>Parking</b>	-	189	631	200	12,555	13,575
<b>Total</b>	237	1,470	3,637	880	14,066	20,290

Net assets are expected to grow to \$32.7 million in 2025-26, an increase of \$12.4 million from 2021-22. This increase is projected to come from Parking Services (\$9.9 million), and Residence (\$2.5 million).

## Ancillary Debt

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For 2021-22, the service ancillaries are projecting total outstanding debt of \$10.2 million (on original loans issued of \$24.2 million), of which \$6.9 million is for Residence and \$3.3 million is for Parking.

The estimated principal and interest payments for Residence are \$1.3 million, which is 21.6% of its revenues. The estimated principal and interest payments for Parking Services are expected to be \$0.6 million, which is 25.8% of its revenues.

The estimated interest expenses for Residence is \$0.5 million, which is 7.9% of its revenues or 7.7% of its expenses. The estimated interest expense for Parking is \$0.2 million, which is 9.5% of its revenues or 10.0% of its expenses.

**Service Ancillaries  
Principal Loan Balances  
for the year ending April 30  
(thousands of dollars)**

	<b>2019-20 Actual</b>	<b>2020-21 Forecast</b>	<b>2021-22 Budget</b>	<b>2022-23 Budget</b>	<b>2023-24 Budget</b>	<b>2024-25 Budget</b>	<b>2025-26 Budget</b>
<b>Residence</b>	8,511	7,719	<b>6,873</b>	5,970	5,004	3,973	2,872
<b>Conference</b>	-	-	-	-	-	-	-
<b>Food</b>	-	-	-	-	-	-	-
<b>Parking</b>	4,148	3,771	<b>3,369</b>	2,939	2,482	1,993	1,472
<b>Total Loan Balance</b>	12,659	11,490	<b>10,242</b>	8,909	7,486	5,966	4,344

## Review of UTSC Ancillary Operations

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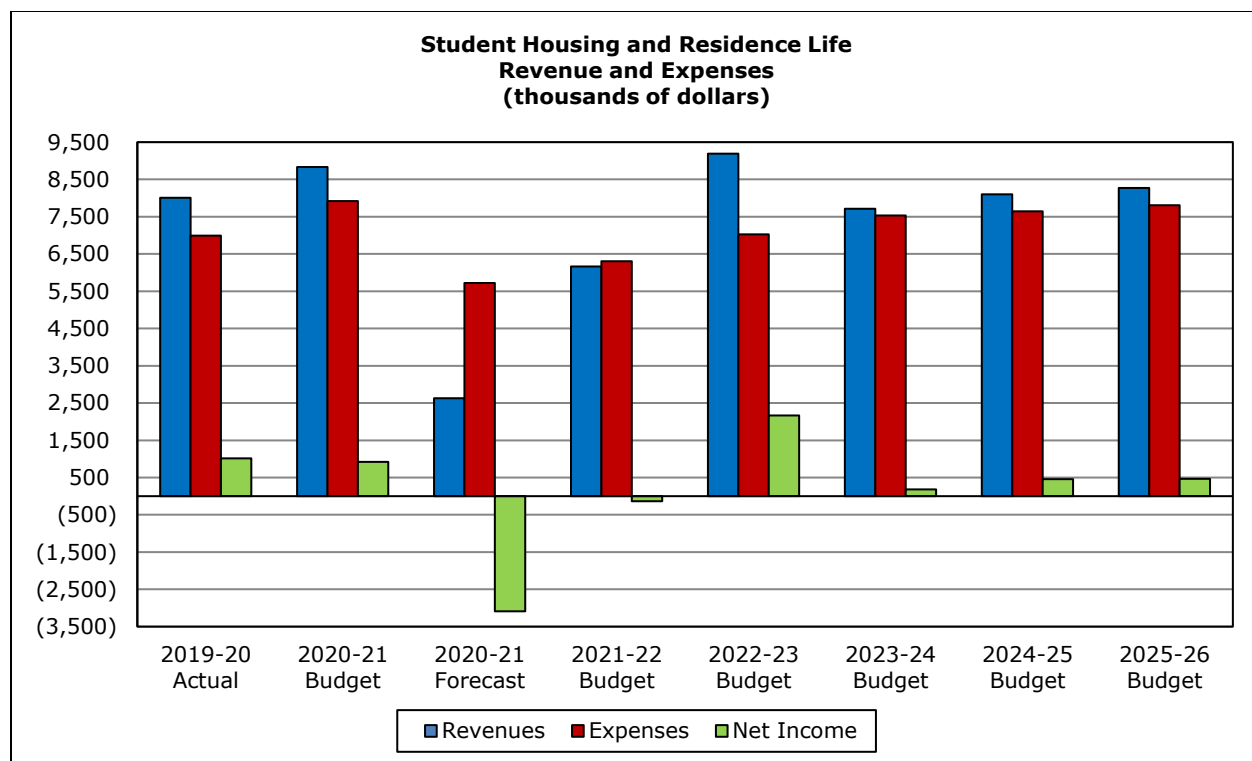
### Student Housing and Residence Life

Student Housing and Residence Life provides 845 beds in 114 townhouses and 56 apartments. Five houses and one apartment are specifically designed for students with accessibility needs.

International students continue to comprise the largest portion of the residence population and this trend will likely continue due to international recruitment initiatives.

Key accomplishments in 2020-21 were:

- Navigated the COVID-19 pandemic
  - Maintained the health & safety of students and staff
  - Adapted the residence operation to new protocols
  - Welcomed a new cohort of students
  - Adapted to an online program delivery model
- Reviewed and re-wrote the Residence Programming and Residence Conduct Models
- Increased collaborations with campus departments to meet the unique COVID-19 challenges
- Completed much needed facilities work that includes the following:
  - On-boarded a new cleaning company amidst a pandemic
  - Replaced Phase II floor beams in 30 townhouses
  - Replaced 33 townhouse electrical panels
  - Installed new flooring in 15 Foley apartments
- Accomplished the above with a limited number of staff (on a team of nine, three staff were on leave and two positions had turnovers)



	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
<b>Revenues</b>	8,007	8,832	2,628	<b>6,163</b>	9,190	7,712	8,099	8,270
<b>Expenses</b>	6,993	7,915	5,720	<b>6,300</b>	7,022	7,533	7,644	7,808
<b>Net Income</b>	1,014	917	(3,092)	<b>(137)</b>	2,168	179	455	462
<b>% Δ Revenue</b>		10%	-70%	<b>135%</b>	49%	-16%	5%	2%

### 2020-21 Forecast

Residence is forecasting net loss of \$3.1 million in 2020-21, which is \$4.0 million (or 437.2%) less than budget. Total net assets are projected to be \$5.1 million.

Lower net income is due to the impact of the COVID-19, which restricted in international travel and impacted the number of students in residence. Even with COVID-19 precautions Residence was well below its reduced inventory, which limited one student per bedroom.

There were, however, some lower costs that partially offset some of the lower revenue:

- Lower salary and benefit costs due to the deferral of hiring of 2 new positions, positions not backfilled, and reduction in casual hiring.
- Lower utilities costs due to the expected lower usage of gas, water, and hydro resulting from fewer occupants in residence.
- Deferred replacing locks at Joan Foley Hall.
- Lower space rental costs as the leasing of extra beds at Centennial College were not required.

## **2021-22 Budget and Long Range Plan**

Residence rates are budgeted to increase by 5.0%, which will drive an overall increase in revenue of \$0.3 million over the 2020-21 rates. The fee increase will fund projected increases in facility expenses and will build reserves needed for major capital renewal. Residence is committed to maintaining quality facilities that meet the diverse needs of students and has therefore planned \$0.6 million in capital expenditures, consisting of \$0.5 million in major renovations and \$0.1 million for furniture and equipment. Salaries, wages and benefits will also increase to comply with contractual obligations and to reflect recent staffing changes. The total net assets are projected to decrease to \$5.0 million in 2021-22.

The ancillary proposes annual fee increases of 5.0% for the full planning period. These rate increases are in line with planned rate increases at residences on the St. George and UTM campuses. These increases will help to fund ongoing major maintenance expenses as the housing inventory continues to age. Major maintenance projects scheduled over the next five years include a ResNet upgrade, Townhouse renovations, and the replacement of furniture in Phases II and III, and in the Residence Centre. However, annual revenues will increase from 2021-22 to 2025-26, but has a dip in 2023-24 due to the expected decommissioning of Phase I for major renovations following the opening of the new residence. A residence master plan to be developed in 2021-22 will guide the housing stock renewal process.

In 2023-24, when the new residence is opened it is planned to hire additional staff to assist with the running of the front desk operation. Residence will bill the LP for the recovery of its staffing and residence life programming costs at the new residence.

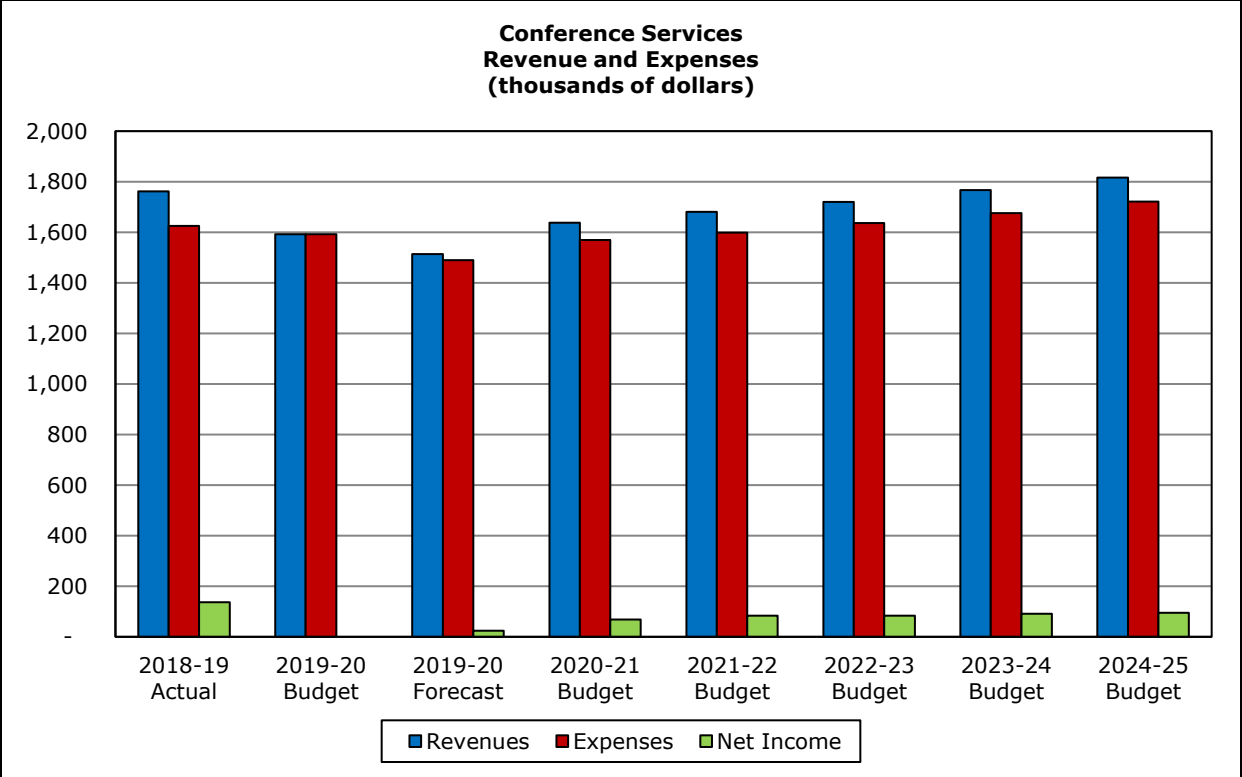


## Conference Services

Conference Services makes UTSC premises available on a fee-paying basis when they are not in use for academic purposes. This includes conferences, meeting services, facility rentals, and conference logistics support. While the availability of UTSC premises for full-service conferences is limited to the summer months when classrooms and residence facilities are more available, this ancillary also rents space during the fall and winter months for smaller events where residence accommodation is not required. UTSC's conference infrastructure has improved significantly with the opening of Highland Hall, which provides capacity for much larger conferences than before, and which can also be used as a banquet facility. Conference infrastructure will improve even more when the new residence is in place.

Conference Services also operates a summer camp, providing a university-style experience for children of community members, staff, and faculty, including a summer leadership camp for young adults. It also markets the campus as a venue for movie shoots.

Conference Services also assists in the administration of UTSC's International Academic Programs and Initiatives programs, which provide an academic bridging program that brings students from China up to the academic expectations of UTSC and helps ensure a smooth transition to Canadian and university life. The *Green Path* program is a significant source of income for this ancillary.



	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
<b>Revenues</b>	1,533	1,638	260	<b>1,579</b>	1,604	1,647	1,704	1,752
<b>Expenses</b>	1,521	1,569	803	<b>1,576</b>	1,601	1,646	1,690	1,737
<b>Net Income</b>	12	69	(543)	<b>3</b>	3	1	14	15
<b>% Δ Revenue</b>		7%	-84%	<b>507%</b>	2%	3%	3%	3%

**2020-21 Forecast**

Conference Services forecasts net loss of \$0.5 million. Total net assets will be \$1.3 million, consisting of \$0.2 million invested in capital assets, \$0.1 million operating reserve, \$0.1 million new construction reserve, and a \$0.9 million unrestricted surplus.

The Green Path program, the largest of the IAPI programs, is normally a significant segment of this ancillary’s accommodation revenue during the summer months. However, due to COVID-19 the summer 2020 program was delivered virtually; therefore, RCS did not earn any revenue. The pandemic also cancelled various

events and only had 72 campers for its online version. However, these revenues loses were partially offset by lower program delivery and event costs.

## **2021-22 Budget and Long Range Plans**

Conference Services is forecasting a net income of \$0.0 million in the 2021-22 year, and net income is expected to gradually improve over the remainder of the planning period. RCS in conjunction with Physical and Environmental Science, will be hosting a conference of the International Society of Environmental Management.

Net assets are projected to be \$1.3 million, consisting of \$0.1 million invested in capital assets, \$0.8 million operating reserve, \$0.1 million new construction reserve, and a \$0.3 million unrestricted surplus.

Conference Services will continue to support the Green Path program, which provides a significant amount of stable revenue. IAPI is currently planning for the 2021 summer program to be in person and has received over 500 applications to date, which will hopefully translate into 235 resident students. This ancillary is waiting to see what the state of the pandemic will be in the new-year and will finalize plans then.

With the opening of Highland Hall, Conference Services is able to host larger conferences than before and is promoting this increase in capacity to trade associations and event planners.

This ancillary continues to be creative in maximizing its use of space despite the challenges it faces as the summer demand for academic use increases. The new residence and IC2 classrooms combined with the Highland Hall facilities create an ideal conference center to market to new customers. The marketing strategy will be targeting three categories of business revenue: accommodation, facility rentals and full package conference groups.

By 2025-26, Conference Services expects to have net assets of \$1.3 million, consisting of a \$0.1 million invested in capital assets, \$0.9 million operating reserve, \$0.1 million new construction reserve, and a \$0.2 million unrestricted surplus. Minimal capital renewal and investment in capital assets are anticipated during the planning period, apart from the possible construction of conference-oriented facilities in the new residence.

## **Food and Beverage Services**

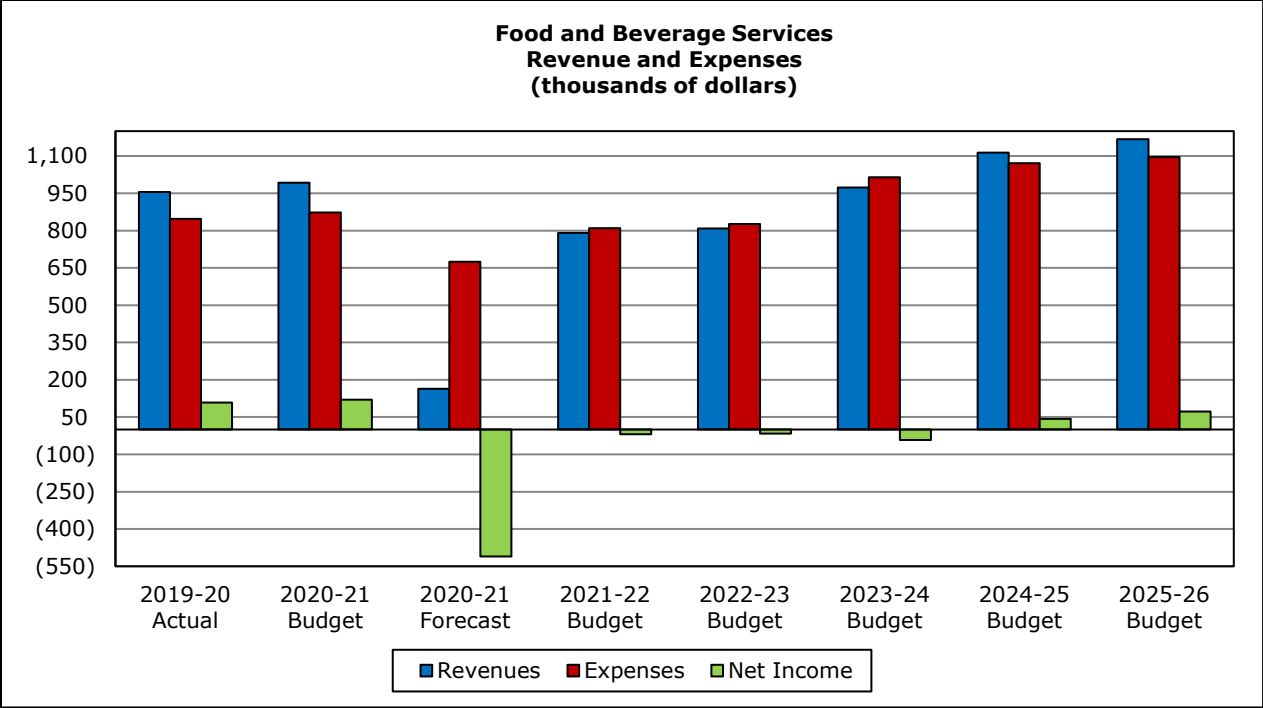
Food and Beverage Services oversees nine food retail operations in the H-Wing Marketplace, a Starbucks Café, two Tim Hortons outlets and a specialty café in Highland Hall. There is also a unit leased to an external operator, La Prep Café, in the Instructional Center.

Operations in the H-Wing Marketplace, Starbucks and two Tim Hortons units are contracted out to Aramark.

This ancillary is a participant in the University wide food policy working group, which has introduced a number of programs in recent years. These include the bottle-free water initiative, the halal standards program, and encouraging the sourcing of locally produced products.

In order to meet the needs of a diverse campus community, changes have been made in recent years to reflect the preference for high profile franchise brands and to accommodate the varied dietary requirements of our diverse population.

Food and Beverage Services is also partnered with UTSC's One Card Operation's T-Card+ campus card payment system providing marketing support and investment in equipment, which allows for food and other retail purchases using a T-Card at UTSC.



	<b>2019-20 Actual</b>	<b>2020-21 Budget</b>	<b>2020-21 Forecast</b>	<b>2021-22 Budget</b>	<b>2022-23 Budget</b>	<b>2023-24 Budget</b>	<b>2024-25 Budget</b>	<b>2025-26 Budget</b>
<b>Revenues</b>	955	993	164	<b>791</b>	809	973	1,114	1,167
<b>Expenses</b>	847	873	675	<b>810</b>	826	1,015	1,071	1,095
<b>Net Income</b>	108	120	(511)	<b>(19)</b>	(17)	(42)	43	72
<b>% Δ Revenue</b>		4%	-83%	<b>382%</b>	2%	20%	14%	5%

**2020-21 Forecast**

Food and Beverage Services is forecasting net loss of \$0.5 million. Total net assets are projected to be \$0.5 million, consisting of \$0.5 million invested in capital assets.

Revenue this year has fallen sharply due to this significant change in market conditions. In mid-March 2020, Food Services ceased a majority of its operations due to the COVID-19 pandemic and the resulting substantial closure of the campus.

UTSC and Aramark entered into an Amending Agreement to reflect this significant change in the business environment. Under the Amending Agreement, which covers the contract year August 04, 2020 to August 03, 2021, Food Services received a lump sum payment of \$160K. In return, UTSC waived its right to all

sales commissions, including minimum commissions, and all contributions to capital investments, sponsorships and maintenance fees.

Revenue decreases were partially offset by lower cost of sales and services costs and the vacant Business Officer role.

## **2021-22 Budget and Long Range Plans**

The ancillary is forecasting to almost break-even in 2020-21, which is better than the 2020-21 forecast by \$0.5 million, as the operating plan for the coming year assumes that campus life returns to pre-pandemic levels in September, 2021 with in-person classes, the usual level of on-campus student life activity, and a residence population edging closer to pre-pandemic levels.

The goal in 2021-2022 is to drive convenience and satisfaction by doing the following:

- Hours of operations in H-Wing will continue to open at 8:30am.
- A new updated and enhanced coffee station will be introduced.
- Pizza Pizza will be replaced by Pizza Nova.
- Music has been added to the Market Place and the seating area to help create a fun communal place of gathering.
- The Box Meal Program and delivery to resident students will continue as a regular option.

In 2023-24, Food Services is planning to hire a Food Operations Supervisor, in preparation for the opening of the new residence and dining hall.

Net assets are projected to be \$0.5 million, consisting of \$0.4 million invested in capital assets, and \$0.1 million capital renewal/operating reserve.

Net assets are expected to be \$0.4 million by 2025-26 consisting of \$0.2 million invested in capital assets, and \$0.2 million in operating reserve.

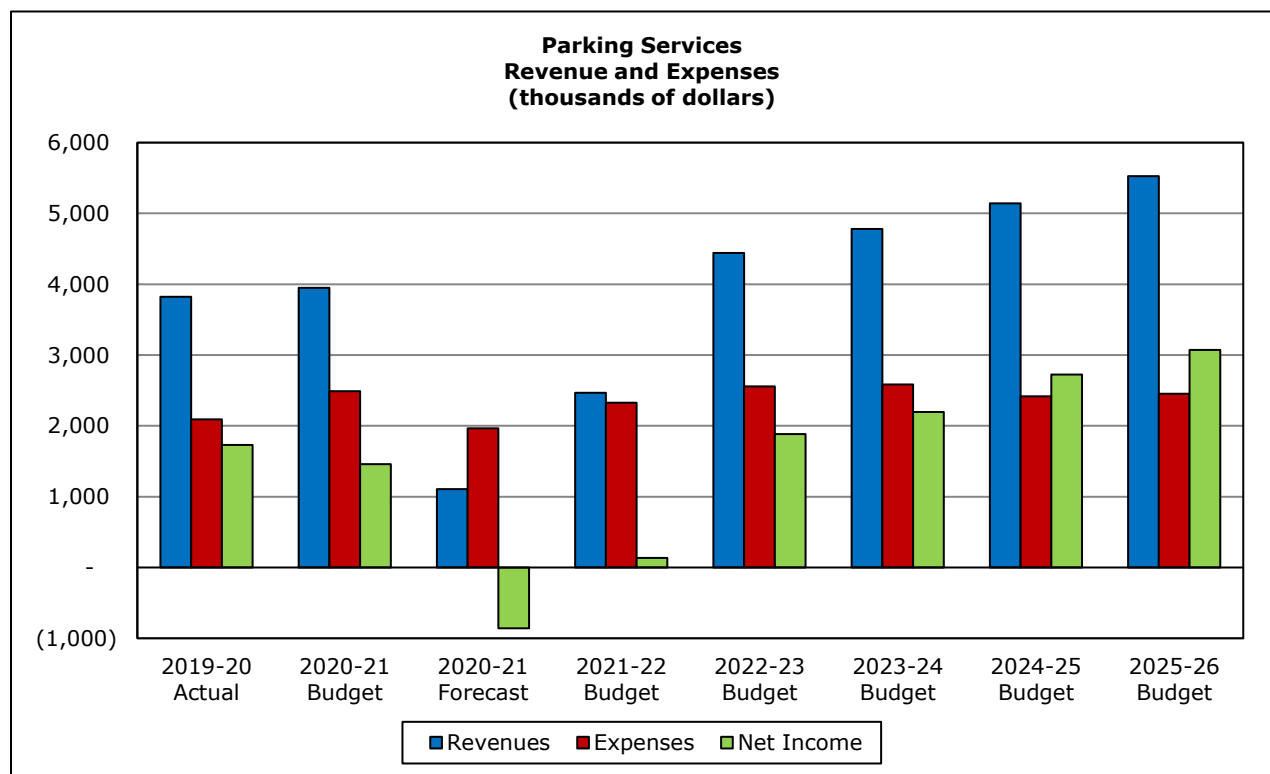
The long term vision is to integrate the Centennial College culinary students within the UTSC food program. The integration will drive better outcomes for both students and UTSC. UTSC will help students gain real world food experience within an educational institutional setting. The focus of support will be:

- Day to day operations
- Marketing and data analysis
- Joint ventures on new food opportunities (pop-up concepts)
- Operational support at Miller Lash House and in Beverage Services and in the new residence building when it opens in 2023-24
- Meal Plan sales

When the new residence opens, Food Services will receive commission income, which is a residual figure after the food operator, the Residence LP and One Card receive their yet-to-be negotiated amounts. Food Services will be responsible for the repair and maintenance of the kitchen.

## Parking Services

The mission of Parking Services is to provide quality parking facilities and services in a safe and secure environment. It offers users year-round controlled access to parking in the UTSC and Centennial College Morningside Campus communities. There are presently 342 spaces in the south campus lots and 1,826 in the north campus lots. This ancillary continues to support the various ways staff, faculty, and students can access the campus, including the East Arrival Court bus loop that allows greater flow and frequency of public transportation and connection with GO transit, Durham Region Transit, and the TTC.



	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
<b>Revenues</b>	3,823	3,948	1,108	<b>2,465</b>	4,440	4,779	5,141	5,528
<b>Expenses</b>	2,094	2,489	1,966	<b>2,328</b>	2,558	2,584	2,416	2,454
<b>Net Income</b>	1,729	1,459	(858)	<b>137</b>	1,882	2,195	2,725	3,074
<b>% Δ Revenue</b>		8%	1%	<b>-8%</b>	0%	30%	17%	6%



## **2020-21 Forecast**

Parking is forecasting net loss of \$0.9 million, which is \$2.3 million less than budget. Total net assets are projected to be \$13.4 million.

With the effective shutdown of the University since mid-March 2020, the Parking ancillary has an unprecedented drop in revenues in 2020-21 and sought any means possible to restrict discretionary spending. Parking Services anticipates a revenue shortfall of \$2.8 million or (72%), due to the COVID-19 pandemic.

UTSC is in discussions with Centennial College regarding their annual payment for a block of parking permits. This forecast makes provision for a partial fee concession.

## **2021-22 Budget and Long Range Plan**

The 2021-22 budget includes a 10% parking permit rate increase. 10% annual increases are also proposed for the remainder of the planning period. These increases are required to support operations, build reserves for construction of the parking structure, and make principal and interest payments on the parking structure debt once the parking structure opens.

Direct expenses are forecast to increase by 15% over the 2020-21 forecast, primarily due to the leave of absence return and increased repairs and maintenance costs required to maintain the parking lots at a high standard. However, major capital expenditures are being deferred wherever possible, as surface lot parking spaces are displaced for academic and non-academic buildings.

Parking Services is projecting a \$0.1 million surplus. This represents a \$1.0 million increase in operating income from the 2020-21 forecast. The increase is due to higher traffic on campus as things slowly return to pre-pandemic levels.

Net assets are projected to reach \$13.6 million in 2021-22, consisting of \$0.6 million invested in capital assets (ICA), \$0.2 million capital renewal reserve, a \$0.2 million operating reserve, and \$12.6 million in new construction reserves. Net assets are projected to be \$23.4 million by 2025-26, excluding changes in net assets arising from the construction of the parking structure, which has not yet been financially modelled.

As noted in the introduction, UTSC is planning to construct a parking garage to replace parking being lost by the construction of new buildings on the north campus and to maintain compliance with the City of Toronto parking by-law. The costs are not yet known, nor is the funding and financing model. Therefore, the financial

implications of this project is not yet included in the five year forecast. Long-term debt required to finance the parking structure may include central debt.

## **Review and Consultation Process**

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The UTSC Campus Affairs Committee will make recommendations to the UTSC Campus Council on annual budgets related to service ancillaries. The budgets approved by Campus Council will be presented to the Executive Committee of Governing Council for confirmation. Those plans will include a Management Report that describes the proposed services and programs and each ancillary's annual operating budget, as well as changes to program and levels of service, categories of users, accessibility, and fees. This year, the plans will report actual financial results for 2019-20, the forecast for 2020-21, and projections for the five year period, 2021-22 to 2025-26. Only the proposed budget for 2021-22 is presented for approval.

## **Student / Local Committees and Councils**

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The Residence operating plan was reviewed by the Student Housing Advisory Committee (SHAC) during meetings in the Fall semester of 2020. Members supported the plans for the 2021-22 budget. SHAC provides students with an opportunity to learn about current operations and future plans in residence and off-campus housing services. Students advise the department on the student experience, services, policies, procedures, budget issues and residence fees. The committee is comprised of residents at large, students living off campus in rental accommodation, a residence advisor, Scarborough Campus Residence Council President, elected members of the Scarborough Campus Students' Union (SCSU) and the Director, Student Housing and Residence Life. The department also communicates and meets regularly with the Scarborough Campus Residence Council to share information, receive input and collaborate on programs. The Student Housing Advisory Committee's five working groups focus on learning opportunities and includes Communications, Equity, Learning Experiences, Mental Health, and Safety.

Food Services gathers representatives from the UTSC community including academic staff and faculty, administration, students, and representatives from Aramark and the SCSU to form the Food User Committee. This committee meets throughout the year to discuss operational matters including hours of operation, product offerings, services, general business, and formulation of focus groups.

Social media is monitored for comments and suggestions and any concerns are immediately addressed.

Parking Services holds an annual meeting of the Parking Advisory Review Committee (PARC). Additional meetings are scheduled from time to time should management wish to consult with community representatives about specific initiatives. Advisory in nature, this committee's mandate includes: representing various sectors of the University community and bringing forward parking concerns to the attention of Parking Services management; reviewing and advising on new initiatives presented by Parking Services management; evaluating these initiatives and potential impact on parking users within the University community; and, serving as a general means of communication between the University community and Parking Services management on matters related to parking on campus. There is cross-representation of the campus community on the committee including students, faculty, staff, event hosts, visitor hosts, students in residence, and persons requiring accessible parking.

The University of Toronto Financial Services Department (FSD) also reviews the proposed operating plans and management reports submitted by each ancillary. Any issues identified by FSD are referred to the ancillary for their attention and response.

**University of Toronto Scarborough**  
**Service Ancillaries Operating Budget Summary**  
**Projected Operating Results for the year ending April 30, 2022**  
(with comparative projected results for the year ending April 30, 2021)  
(thousands of dollars)

	<b>Revenue</b>	<b>Expense</b>	<b>Net Income before Transfers</b>	<b>Transfers in/(out)</b>	<b>Net Income after Transfers 2021-22</b>	<b>Net Income after Transfers 2020-21</b>
Residence	6,163	6,300	(137)	-	(137)	(3,092)
Conference	1,579	1,576	3	-	3	(543)
Food	791	810	(19)	-	(19)	(511)
Parking	2,465	2,328	137	-	137	(858)
<b>Total</b>	<b>10,998</b>	<b>11,014</b>	<b>(16)</b>	<b>-</b>	<b>(16)</b>	<b>(5,004)</b>

**University of Toronto Scarborough**  
**Service Ancillaries Operating Budget Summary**  
**Projected Net Assets**  
(for the year ended April 30)  
(thousands of dollars)

Service Ancillary	Objectives to be met in 2021-22				2021-22					2021-22	2023-24	2025-26
					Unrestricted Surplus / (Deficit)	Projected Investment in Capital Assets	Projected Capital Renewal Reserve (Sch 3.1)	Projected Operating Reserve (Sch 3.2)	Projected New Construction Reserve (Sch 3.2)	Net Assets	Net Assets	Net Assets
	1	2	3	4								
Residence	Yes	Yes	Yes	No	-	2,454	653	457	1,411	4,975	7,073	7,489
Conference	Yes	Yes	Yes	No	237	133	6	790	100	1,266	1,270	1,298
Food	Yes	No	No	No	-	419	21	34	-	474	385	445
Parking	Yes	Yes	Yes	No	-	631	200	189	12,555	13,575	17,650	23,449
<b>Total</b>					<b>237</b>	<b>3,637</b>	<b>880</b>	<b>1,470</b>	<b>14,066</b>	<b>20,290</b>	<b>26,378</b>	<b>32,681</b>

**University of Toronto Scarborough**  
**Service Ancillaries Operating Budget Summary**  
**Projected Funds to be Committed for Capital Reserve**  
(for the year ending April 30)  
(thousands of dollars)

	<b>Projected Balance May 1, 2021</b>	<b>Net Increase / (Decrease) in Commitments to Capital Renewal</b>	<b>Projected Balance April 30, 2022</b>	<b>Projected Balance April 30, 2026</b>
Residence	693	(40)	653	453
Conference	7	(1)	6	4
Food	-	21	21	9
Parking	223	(23)	200	102
<b>Total</b>	<b>923</b>	<b>(43)</b>	<b>880</b>	<b>568</b>

**University of Toronto Scarborough**  
**Service Ancillaries Operating Budget Summary**  
**Projected Funds to be Committed for Operating and New Construction Reserves**  
(for the year ending April 30)  
(thousands of dollars)

	OPERATING RESERVE				NEW CONSTRUCTION RESERVE			
	Projected Balance May 1, 2021	Increase / (Decrease) in Operating Reserve	Projected Balance April 30, 2022	Projected Balance April 30, 2026	Projected Balance May 1, 2021	Increase / (Decrease) in Construction Reserve	Projected Balance April 30, 2022	Projected Balance April 30, 2026
Residence	187	270	457	584	2,045	(634)	1,411	2,849
Conference	130	660	790	876	100	-	100	100
Food	-	34	34	198	-	-	-	52
Parking	85	104	189	423	12,432	123	12,555	22,363
<b>Total</b>	<b>402</b>	<b>1,068</b>	<b>1,470</b>	<b>2,081</b>	<b>14,577</b>	<b>(511)</b>	<b>14,066</b>	<b>25,364</b>

**University of Toronto Scarborough**  
**Service Ancillaries Operating Budget Summary**  
**Projected Annual Operating Results**  
**for the years ended April 30, 2021 through April 30, 2026**  
(thousands of dollars)

Service Ancillary	2020-21 Forecast			2021-22 Budget			2022-23 Budget		
	Net Income (Loss) Before Transfers	Transfers In / (Out)	Net Income (Loss) After Transfers	Net Income (Loss) Before Transfers	Transfers In / (Out)	Net Income (Loss) After Transfers	Net Income (Loss) Before Transfers	Transfers In / (Out)	Net Income (Loss) After Transfers
Residence	(3,092)	-	(3,092)	(137)	-	(137)	2,168	-	2,168
Conference	(543)	-	(543)	3	-	3	3	-	3
Food	(511)	-	(511)	(19)	-	(19)	(17)	-	(17)
Parking	(858)	-	(858)	137	-	137	1,882	-	1,882
<b>Total</b>	<b>(5,004)</b>	<b>-</b>	<b>(5,004)</b>	<b>(16)</b>	<b>-</b>	<b>(16)</b>	<b>4,036</b>	<b>-</b>	<b>4,036</b>

Service Ancillary	2023-24 Budget			2024-25 Budget			2025-26 Budget		
	Net Income (Loss) Before Transfers	Transfers In / (Out)	Net Income (Loss) After Transfers	Net Income (Loss) Before Transfers	Transfers In / (Out)	Net Income (Loss) After Transfers	Net Income (Loss) Before Transfers	Transfers In / (Out)	Net Income (Loss) After Transfers
Residence	179	(250)	(71)	455	(250)	205	462	(250)	212
Conference	1	-	1	14	-	14	15	-	15
Food	(42)	(30)	(72)	43	(30)	13	72	(25)	47
Parking	2,195	-	2,195	2,725	-	2,725	3,074	-	3,074
<b>Total</b>	<b>2,333</b>	<b>(280)</b>	<b>2,053</b>	<b>3,237</b>	<b>(280)</b>	<b>2,957</b>	<b>3,623</b>	<b>(275)</b>	<b>3,348</b>



**University of Toronto Scarborough**  
**Service Ancillaries Operating Budget Summary**  
**Summary of 2021-22 Capital Budgets**  
(with comparative figures for 2020-21)  
(thousands of dollars)

	<b>2021-22 Budget</b>	<b>2020-21 Budget</b>
Residence	590	775
Conference	10	-
Food	10	260
Parking	10	1,010
<b>Total</b>	<b>620</b>	<b>2,045</b>

## Schedule of 2021-22 Ancillary Rates

<b>STUDENT HOUSING AND RESIDENCE LIFE</b>				
<u>DESCRIPTION</u>	<u>2020-21</u>	<u>% Change</u>	<u>2021-22</u>	<u>Inc. / (Dec.) per Month</u>
<b><i>Fall/Winter Rates</i></b>				
Phase I - III single	\$ 9,439	5.0%	\$ 9,911	\$ 59.00
Phase I - Small Room (I Room)	\$ 8,460	5.0%	\$ 8,883	\$ 52.88
Phase IV single	\$ 10,610	5.0%	\$ 11,140	\$ 66.31
Phase I shared	\$ 6,989	5.0%	\$ 7,339	\$ 43.68
Phase I shared basement	\$ 6,291	5.0%	\$ 6,605	\$ 39.32
Phase IV Shared	\$ 7,908	5.0%	\$ 8,304	\$ 49.43
<b><i>Summer Rates</i></b>				
Phase I-III (academic term May 8 - August 27)	\$ 4,472	5.0%	\$ 4,695	\$ 55.90
Visitor Weekly Rate	\$ 279	5.0%	\$ 293	
Ph IV-Foley Hall (academic term May 8 - August 2	\$ 4,792	5.0%	\$ 5,032	\$ 59.90
Visitor Weekly Rate	\$ 299	5.0%	\$ 314	

## Schedule of 2021-22 Ancillary Rates

UNIVERSITY OF TORONTO SCARBOROUGH						
PARKING SERVICES						
DESCRIPTION	LOT	2020-21	2021-22	% Change	\$ Change per mo.	NOTES
		Approved	Proposed			
<b>PERMITS:</b>						
<u>South Lots:</u>						
Annual, South Lot Employee Premium	C, D	\$1,412.67	\$1,553.94	10.0%	or... \$11.77 ...per month	
Annual, South Lot Employee Reserved		\$1,878.86	\$2,066.75	10.0%	or... \$15.66 ..per month	
Annual, Ring Road Employee	B	\$1,271.41	\$1,398.55	10.0%	or... \$10.60 ...per month	
Summer Term	C, D	\$282.55	\$310.81	10.0%	or... \$2.35 ...per month	
Residence, Fall/Winter Term	C, D	\$1,000.12	\$1,100.13	10.0%	or... \$8.33 ...per month	
Residence, Winter Term	C, D	\$560.07	\$616.08	10.0%	or... \$4.67 ...per month	
Residence, Summer Term	C, D	\$250.04	\$275.05	10.0%	or... \$2.08 ...per month	
Evening Payroll, Employee Annual	C, D	\$652.05	\$717.26	10.0%	or... \$5.43 ...per month	
<u>North Lots:</u>						
Annual North Lot, Premium (Lot K)	K	\$1,412.67	\$1,553.94	10.0%	or... \$11.77 ...per month	
Annual North Lot, Payroll Employee	G, H	\$1,086.69	\$1,195.36	10.0%	or... \$9.06 ...per month	
Student, Fall/Winter	G, H	\$868.72	\$955.59	10.0%	or... \$7.24 ...per month	
Monthly Student North Lot Permit	G, H	\$121.62	\$133.78	10.0%	\$1.01	
Fall or Winter Term	G, H	\$486.48	\$535.13	10.0%	or... \$4.05 ...per month	
Summer Term	G, H	\$217.98	\$239.77	10.0%	or... \$1.82 ...per month	
Centennial Permit (September to May)	J	\$963.56	\$1,011.73	5.0%	or... \$4.01 ...per month	A
Centennial Summer Permit	J	\$481.78	\$505.87	5.0%	or... \$2.01 ...per month	A
<b>CASH PARKING:</b>						
<u>South Lots:</u>						
Peak period hourly rate	A	\$4.00	\$4.00	0.0%		
Flat Rate, Evening		\$7.00	\$7.00	0.0%		
Flat Rate, Weekend		\$7.00	\$7.00	0.0%		
Summer conference - daily rate		\$6.00	\$6.00	0.0%		
Summer conference - youth bed rate		\$2.00	\$2.00	0.0%		
Instructional Center Lot K: Currently Permits Only						
Flat Rate, Day	K	\$16.00	\$16.00	0.0%		B
Flat Rate, Evening		\$7.00	\$7.00	0.0%		
Flat Rate, Weekend		\$7.00	\$7.00	0.0%		
Lots F, G and H (North Lots):						
Flat Rate, Day	F, G, H	\$10.00	\$10.00	0.0%		
Flat Rate, Evening		\$6.00	\$6.00	0.0%		
Flat Rate, Weekend		\$5.00	\$5.00	0.0%		
<b>NOTES:</b>						
A. The annual percentage increase of 5% is part of the parking agreement between UoF Scarborough and Centennial College.						
B. Cash rates in Lot K increased to match rates in South Lot A; permits for each respective lot are priced in this manner.						