

FOR INFORMATION

PUBLIC

OPEN SESSION

TO:	University Affairs Board
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PRESENTER: CONTACT INFO:	See Sponsor
DATE:	February 25, 2021 for March 4, 2021
AGENDA ITEM:	3A

ITEM IDENTIFICATION:

Operating Plans: UTM Service Ancillaries - 2021-22

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 12, 2021)
2. UTM Campus Council [For Approval] (January 26, 2021)
3. **University Affairs Board [For Information] (March 4, 2021)**
4. Executive Committee [For Confirmation] (March 25, 2021)

PREVIOUS ACTION TAKEN:

The 2020-21 UTM service ancillaries were recommended for approval by the Campus Affairs Committee, on January 15, 2020 and approved by the UTM Campus Council on January 29, 2020.

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 2019-20 fiscal year, 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.

Presented for consideration and recommendation to members are the following:

- The proposed 2021-22 Operating Plans and Budgets for the UTM Service Ancillaries, as summarized in Schedule 1 (page 20), the Service Ancillary Capital Budgets as summarized in Schedule 5 (page 26), and the Ancillary Rates in Schedule 6 (pages 27 - 29).

The detailed management reports and operating plans for each ancillary are contained in Appendix 2 (page 32 to 66).

Consultation:

The review and consultation process is detailed in Appendix 1, on page 30.

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. The Hospitality Services operating plan 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 operating plan 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 Services operating plan is reviewed by the Transportation & Parking Advisory Committee that includes undergraduate and graduate students, faculty and staff.

All of the advisory committees (SHAC, Food Service Advisory Committee, Resident Student Dining Committee and Transportation & Parking Advisory Committee) 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 2021-22 year, long-term budget projections were also provided. The advisory committees had detailed discussions of the issues affecting each ancillary. In addition, the ancillary operating plans and management reports were reviewed by the University of Toronto's Financial Services Department.

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.

The COVID-19 pandemic has had a significant impact on the UTM ancillaries. In an effort to contain the spread of COVID-19, the UTM campus was temporarily closed for a portion of the winter 2020 and summer 2020 terms and Fall 2020 on-campus activity was minimal. We expect this to continue for the winter 2021 term and perhaps further. Due to the reduced activity on campus, the demand for UTM ancillary services has been drastically reduced.

Upon the return to typical resident intake numbers, Residence plans to rebuild its down payment for the construction of a new residence building. UTM is proposing a new 400-resident building planned to open in summer 2024, subject to the appropriate approvals. The building will help support continuing the first-year housing guarantee and will provide better availability to upper-year students. Major maintenance and capital renewal of the existing stock of residence buildings also continues to be a top priority for the ancillary.

Hospitality Services' revenues are anticipated to be lower-than-normal in 2021-22 based on the assumption that the foot traffic on campus will be extremely limited in the summer term, and slower-than-normal during the academic year. It is anticipated that conferences and film shoots would continue in a limited fashion as some level of governmental restrictions, particularly throughout the summer, are still expected to be in place. A new restaurant is planned inside the new Arts, Culture and Technology (ACT) building, slated to open in 2024-25.

Parking Services has experienced a significant decline in demand for parking on campus due to the shift to work-from-home and hybrid learning. It is anticipated that as classes start to resume to an in-person delivery format, more student sales for permits and Pay & Display will naturally follow. Past demand trends strongly suggest that demand for parking remains high. Part of the ancillary's long-term planning includes the addition of an underground parking garage and surface parking lot for the proposed ACT building. Existing surface parking lots are potential future building sites for the campus. Therefore, the addition of the parking spaces for the proposed ACT building is also an important part of long-term planning to ensure that there is adequate parking available on campus.

2021-22 Service Ancillary Operating Plans and Budgets:

The 2021-22 budget incorporates a \$12.0 million (26.6%) increase in revenues of which: \$8.4 million is from Residence; \$2.3 million is from Hospitality Services and \$1.3 million is from Parking Services.

2021-22 Service Ancillary Capital Budgets:

Investments in new buildings, facilities improvements and equipment purchases total \$5.0 million for Residence, \$1.0 million for Hospitality and \$0.1 million for Parking.

2021-22 Service Ancillary Rates:

Residence rates will increase in 2021-22 between 4.5% to 7.0%, set based on demand data and feedback from SHAC. Meal plan rates will increase by an average of 3.0%, attributed to the

forecasted Food Consumer Price Index (Food CPI) and the average cheque factor in calculating the minimum tax-exempt meal plan cost. Parking permit rates will increase by 3.0% compared to prior year.

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:

For Information.

DOCUMENTATION PROVIDED:

UTM Service Ancillary Report on Operating Plans, 2021-22



UNIVERSITY OF
TORONTO
MISSISSAUGA

Service Ancillary Report on Operating Plans

2021-22

December 1, 2020

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Introduction

The service ancillaries at the University of Toronto Mississauga (UTM) include Student Housing & Residence Life (SHRL), Hospitality Services and Parking Services.

UTM is a 225 acre campus located within the Regional Municipality of Peel, an area of significant population and economic growth. Over the past decade, the UTM campus population and physical infrastructure has significantly increased. Alongside this growth, the service ancillaries each face unique challenges on campus.

The COVID-19 pandemic has had a significant impact on the UTM ancillaries. In an effort to contain the spread of COVID-19, the UTM campus was temporarily closed for a portion of the winter 2020 and summer 2020 terms and fall 2020 on-campus activity was minimal. We expect this to continue for the winter 2021 term and perhaps further. Due to the reduced activity on campus, the demand for UTM ancillary services has been drastically reduced.

SHRL has seen a significant reduction in demand for residences in the current academic year due to the uncertainty and fear caused by COVID-19. Measures have been taken to create a welcoming and safe environment, including implementing multiple move-in days, assignment of single rooms only, reduced bathroom ratios and the availability of quarantine rooms. Cost containment measures have also been put in place to reduce discretionary expenses.

It is anticipated that as classes start to resume to an in-person delivery format and as travel restrictions ease, residence occupancy will return to pre-pandemic levels. In a typical year, demand far exceeds the number of rooms available. In addition, the residence student population represents only a portion of the overall student population and has different needs. Therefore, we anticipate that even if there is a shift away from in-person activity for the general student population, the demand from students seeking residence will remain strong.

Upon the return to typical resident intake numbers, SHRL will rebuild its down payment for the construction of a new residence building. UTM is proposing a new 400-resident building, adjacent to Oscar Peterson Hall (OPH). The building is planned to open in summer 2024, subject to the appropriate approvals. The building will help support continuing the first-year housing guarantee and will provide better availability to upper-year students. Major maintenance and capital renewal of the existing stock of residence buildings also continues to be a top priority for the ancillary.

Hospitality Services is taking a substantial revenue hit in 2020-21 as a result of the temporary campus closure and planned operational reductions to support UTM's limited campus re-opening for this academic year. Additionally, the ancillary's ability to sell conferences, events, or movie shoots was significantly impacted by the provincial capacity restrictions placed on internal and external spaces.

Hospitality Services' revenues are anticipated to be lower-than-normal in 2021-22 based on the assumption that the foot traffic on campus will be extremely limited in the summer term, and

slower-than-normal during the academic year. It is anticipated that conferences and film shoots would continue in a limited fashion as some level of governmental restrictions, particularly throughout the summer, are still expected to be in place. Projected Meal Plan Revenues align with the residence occupancy projections.

A new full service restaurant is planned inside the new Arts, Culture and Technology (ACT) building, slated to open in 2024-25. The new restaurant will be constructed in a way such that the same space can be re-purposed for alternative uses in the future, if necessary. A significant risk to the ancillary as a result of COVID-19 is the threat to funding available for the future replacement of equipment and refreshment of food outlets.

Parking Services has experienced a significant decline in demand for parking on campus due to the shift to work-from-home and hybrid learning (with the majority of classes being virtual). In an effort to reduce costs, non-essential expenses have been eliminated or deferred.

It is anticipated that as classes start to resume to an in-person delivery format, more student sales for permits and Pay & Display (P&D) will naturally follow. Past demand trends (i.e., parking lot utilization and permit waiting lists) strongly suggest that demand for parking remains high. In addition, many staff and students reside outside of public transit convenience and driving to campus is their preferred option. There may also be a shift in behavior as driving to campus may become a preferred option over taking public transit.

Part of the ancillary's long-term planning includes the addition of an underground parking garage and surface parking lot for the proposed ACT building. The underground parking garage will be constructed in a manner such that it can be re-purposed for alternative uses in the future, if necessary. Existing surface parking lots are potential future building sites for the campus. Therefore, the addition of the parking spaces for the proposed ACT building is also an important part of long-term planning to ensure that there is adequate parking available on campus.

These operations are measured over the long-term on their success in meeting the following four Service Ancillary Reporting Group (SARG) objectives:

- i. 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.
- ii. To provide for all costs of capital renewal, including deferred maintenance. Provision must be made for regular replacement of furniture and equipment.
- iii. Having achieved the first two objectives, create and maintain an operating reserve (excluding capital requirements) at a minimum level of ten percent of annual expenditure budgets (net of cost of goods sold, capital renewal costs and deans' and

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

- iv. 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). Each individual campus will establish the rate of contribution for each individual ancillary.

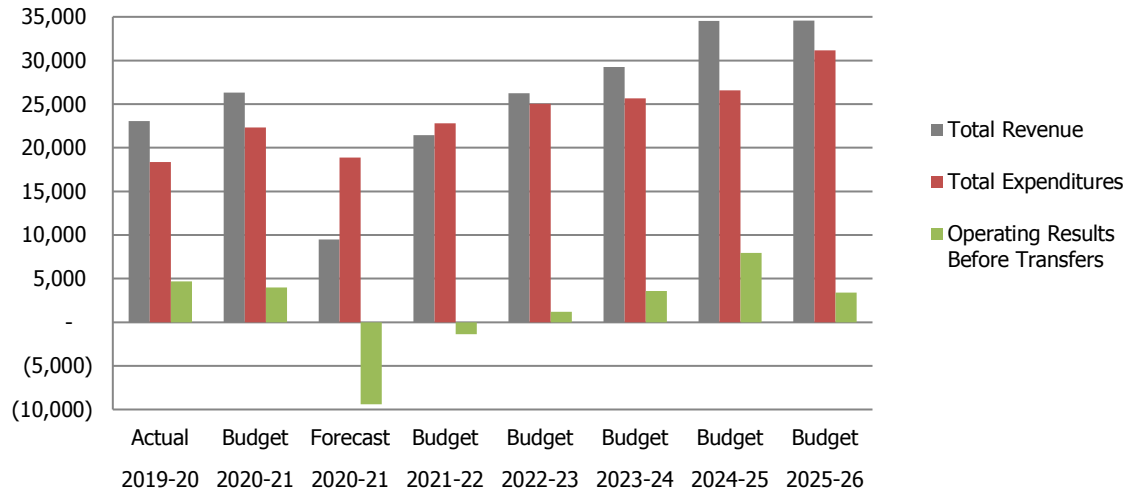
Although there is an objective of potential contributions from the ancillaries to the operating budget, at UTM, all positive net results are currently reinvested into the ancillaries to provide improved facilities, equipment and services to students, faculty and staff.

Due to the financial impact of the COVID-19 pandemic, ancillary units will be permitted to carry a negative fund balance where there is a plan in place to address the shortfall in the next several years. Negative fund balances will be charged interest at the 3-month T-Bill rate plus an additional $\frac{1}{4}\%$.

This report includes financial highlights for 2020-21 forecasts, 2021-22 budgets and long-range plans. The report also includes summary financial schedules and the detailed operating statements and schedules.

Budget Highlights

Revenues and Expenditures for the years ended April 30 (thousands of dollars)



Revenues and Expenditures for the years ended April 30 (thousands of dollars)

	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Revenues								
Residence	15,823	17,870	8,023	16,415	18,114	20,758	25,244	24,995
Hospitality	3,966	3,789	640	2,929	3,394	3,639	4,011	4,142
Parking	3,255	4,649	805	2,111	4,733	4,843	5,277	5,439
Total Revenues	23,044	26,308	9,468	21,455	26,241	29,240	34,532	34,576
Total Expenditures	18,356	22,316	18,870	22,810	25,039	25,671	26,572	31,175
Operating Results Before Transfers	4,688	3,992	(9,402)	(1,355)	1,202	3,569	7,960	3,401

The UTM service ancillaries are forecasting Operating Losses before Transfers of \$9.4 million for the year ending April 30, 2021 on projected Total Revenues of \$9.5 million, which is \$16.8 million less than budget. Total Expenditures are expected to be \$3.5 million less than budget. The resulting forecasted Operating Results before Transfers are \$14.1 million less than prior year actuals of \$4.7 million.

Each of the ancillaries contributes to the forecasted 2020-21 Operating Losses before Transfers of \$9.4 million, as follows:

- SHRL's Total Revenues are expected to be significantly lower than budget. In a typical year, more than 50% of residents are international students, mostly in their first year of study. However, first-year international students were largely unable to enter the country due to travel restrictions in place due to the COVID-19 pandemic. Fall occupancy was also significantly impacted by tri-campus refund policies. Hundreds of students cancelled their residence space and received refunds in the weeks leading up to move-in day. In an effort to contain costs, total spending on Salary, Wages & Benefits is forecasted to be lower than the budget, as staff vacancies were left open and many casual contracts were not filled. Total spending on Annual and Major Maintenance is also forecasted to be less than budgeted, as the unexpected financial impacts of the pandemic have disrupted the planned major maintenance and capital renewal projects this year. Savings have been redirected to commitments and to balance the budget.
- Hospitality Services' Total Food Services Revenues are expected to be less than budget due to the closure of the campus during the summer months, a significant reduction of on-campus population expected for the entire academic year and a reduction of food services offered to comply with public health guidelines. As a direct result of lower-than-expected Food Services Revenues, Total Cost of Sales & Services is forecasted to be lower than budget. Due to the campus closure over the summer months, there is also no forecasted revenue from Conference Accommodations. Additionally, due to public health restrictions, revenue from external events and film shoots is forecasted to be reduced by over 75%. Savings are anticipated in staffing costs as some staff were redeployed to support other areas on campus. As well, hiring for full-time vacancies was delayed. Finally, construction associated with the Davis Building renovation project and the renovation to Spigel kitchen was deferred.
- Parking Services' Total Revenues are expected to be less than budget due to a significant reduction in parking demand as a result of the substantial shift to remote working arrangements and the implementation of hybrid course delivery. Payment Processing Fees are also forecasted to be under budget as a direct result of lower sales volumes. As a cost containment measure, Annual and Major Maintenance expenses are forecasted to be under budget due to the deferral of non-essential maintenance.
- The long-range plan projects Total Revenues to increase by \$25.1 million by 2025-26, of which \$17.0 million is from SHRL, \$3.5 million is from Hospitality Services and \$4.6 million is from Parking Services.

Review of the UTM Ancillary Operations

At the onset of the COVID-19 pandemic, the University requested students who lived in residence, and who were able to return home, to do so. Student residences were deemed by the provincial government to be an essential service, and remained open throughout the pandemic to provide a welcoming home for international students, students whose family members were in self-isolation, and out-of-province students who needed more time to make travel arrangements. In fall 2020, SHRL welcomed students as part of the gradual return to campus. Extensive measures have been taken to create a welcoming and safe environment. UTM also hosted, in residence, students that were participating in the University's Quarantine program, allowing students to meet the requirements of the Government of Canada Mandated 14-day Quarantine for international travel.

As a result of the pandemic, there were restrictions introduced by the provincial government and by public health that have significantly limited food service operations in 2020-21¹. Due to the summer campus closure and the shift to events and meetings being primarily delivered through an online platform, there is a lack of Conference business and significantly limited Catering business. Specialty vending programs have been expanded (e.g., Theos coffee machines, Daily Blends (vegetarian and vegan meals)) to support the food service program outside of operating hours and during limited operations.

In an effort to contain the spread of COVID-19, there has been a significant shift towards remote work arrangements and hybrid course delivery (mix of online and in-person). As a result, the traffic volumes, parking lot utilization and behaviors have dramatically shifted this year as compared to prior-year trends. Along with the gradual re-opening of the campus during the fall term, Parking Services has converted most services to online-only and all permits are being mailed out to either the clients' department or home address. Physical distancing and contactless measures have been implemented to ensure safe and efficient servicing. Parking Services continues to focus on sustainability at the UTM campus. In 2020-21, 21 additional carpool spaces were added to Lot P5. This enhancement is in line with recommendations made by the Transportation Task Force Committee on sustainability.

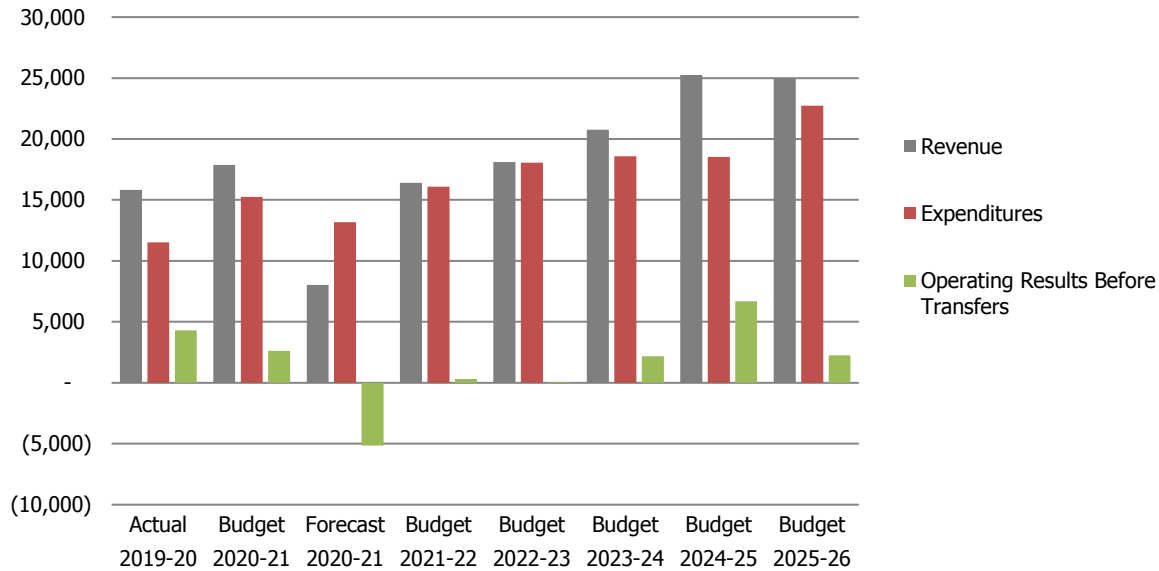
¹ During the Summer and fall 2020 term, all food outlets on campus were closed with the exception of Colman Commons, which was open for take-out food orders, and limited grab n' go options from the Davis Food Court outlets.

Student Housing and Residence Life

SHRL provides a transformative experience for students in residence with typically over 1,500 workshops, events and programs annually. There are eight residence communities at UTM including suite-style and traditional dorm-style residence buildings and townhouse complexes. The department also provides 24-hour on-call response, 365 days per year.

For the 2021-22 budget year, the ancillary will meet three of the objectives, as it does not currently contribute to the operating budget (see Schedule 2). All positive net results are currently reinvested into the ancillary to provide improved facilities, equipment and services.

**Student Housing & Residence Life
Revenues & Expenditures
(thousands of dollars)**



**Student Housing & Residence Life
Revenues & Expenditures
for the years ended April 30
(thousands of dollars)**

	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Revenues	15,823	17,870	8,023	16,415	18,114	20,758	25,244	24,995
Expenditures	11,518	15,257	13,169	16,095	18,060	18,589	18,542	22,729
Operating Results Before Transfers	4,305	2,613	(5,146)	320	54	2,169	6,702	2,266

2020-21 Forecast:

The COVID-19 pandemic had a significant operational and financial impact to SHRL in 2020-21. In a typical year, more than 50% of our residents are international, mostly in their first-year of study. However, first-year international students were largely unable to enter to the country due to travel restrictions.

Forecasted Total Revenues are expected to be lower than our approved budget revenues. Residence fees and family rent payments make up a significant portion of our budgeted revenues. Our fall occupancy was also significantly impacted by tri-campus refund policies. Hundreds of students cancelled their residence space and received refunds in the weeks leading up to move-in day.

Annual Building Depreciation and Interest Expenses (Mortgages) continue to dominate the SHRL operating budget.

As outlined in our Student Housing Master Plan, our top priority is the maintenance and capital renewal of existing residence facilities. The unexpected financial impacts of COVID-19 have disrupted our planned maintenance and capital renewal this year.

In an effort to contain costs within the new financial constraints due to COVID-19, staff vacancies were left open and many casual contracts were not filled.

Prior to COVID-19, SHRL had several healthy reserves. At end of fiscal 2019-20, we had a Construction Reserve of \$2.5 million and a Building Renovation Reserve of \$1.8 million. However, the revenue shortfalls due to COVID-19 have depleted these reserves. The short-term capital renewal plans had to be adjusted and some projects were postponed or cancelled.

The Operating Result before Transfers is forecasted to be a loss of \$5.1 million and the Total Closing Fund Balance is forecasted to be \$6.5 million.

2021-22 Budget & Long-Range Plan:

SHRL is not planning on demand returning to pre-COVID-19 levels in 2021-22. In accordance with public health guidelines we are planning on offering only single rooms. McLuhan Court will also be offline due to renovations. The remaining rooms will be filled at 97.5% occupancy. As a result, we expect our overall residence population to be reduced by approximately 21% compared to pre-COVID-19 levels.

SHRL continues to build demand for a summer residence session through marketing, promotion and process improvements to the room application process. We anticipate students may need to stay in residence over the summer due to COVID-19 travel restrictions. We are being very conservative with Summer Conference Business assumptions due to COVID-19.

Mortgage-related expenses and investment in renovations are the two biggest pressures on the SHRL expenditures budget. The plans ensure positive cumulative cash flow in each year of the business plan.

There will be a balance of \$0.5 million in the Construction Reserve in 2021-22. The Construction Reserve represents funds that will be used towards a down payment for the new residence building.

The Operating Result before Transfers is projected to be \$0.3 million and the Total Closing Fund Balance is projected to be \$11.8 million.

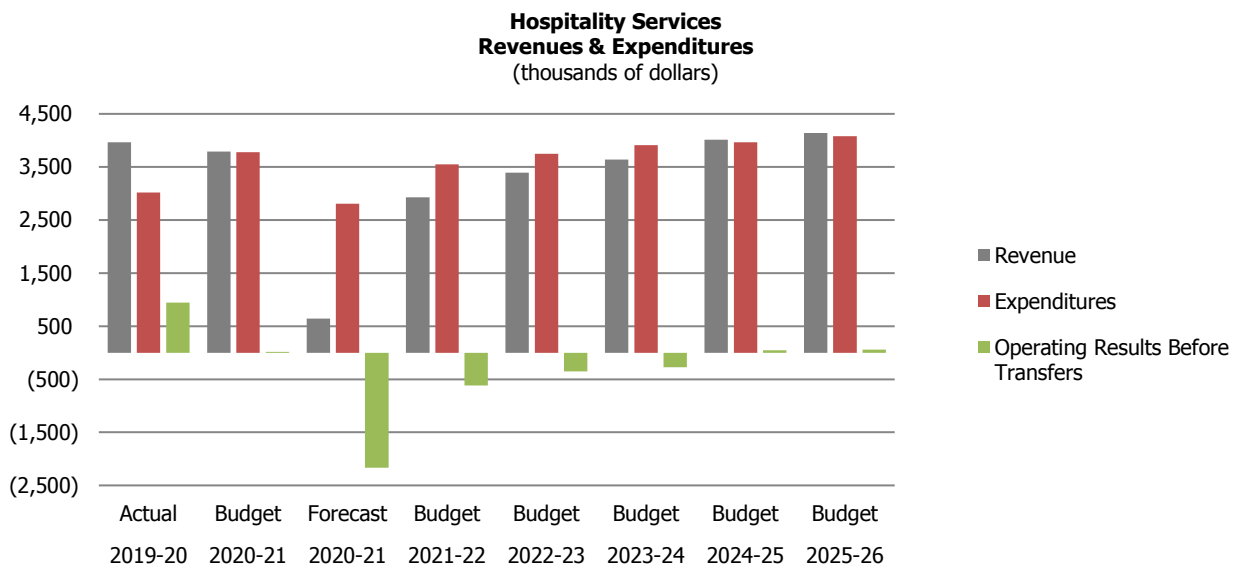
Three primary drivers impact the 5-year budget horizon. The first is the significant operating losses due to COVID-19 in the 2019-20 and 2020-21 budget years. The second is the capital renewal plan on our existing residence facilities. The third is the development of a new residence that is planned to open in summer 2024 (pending approval).

Long-term renovation plans extend through 2029-30. Unrestricted Surplus amounts are allocated to the Building Renovation Reserve for upcoming renovations or the Construction Reserve for the new residence build. These reserves will be used to fund the renovations, capital renewal and new build outlined in the Student Housing Master Plan.

Hospitality Services

The Hospitality Services budget includes both Food Services and the external customer activities of Conference Services. Food Services are delivered through an independent food services provider with management oversight provided by the Director of Hospitality & Retail Operations, who works closely with the food services provider on all aspects of food service at UTM. Conference Services income is generated through the utilization of space on campus that would otherwise remain idle.

For the 2021-22 budget year, the ancillary will meet three of the objectives, as it does not currently contribute to the operating budget (see Schedule 2). All positive net results are currently reinvested into the ancillary to provide improved facilities, equipment and services.



**Hospitality Services
Revenues & Expenditures**
for the years ended April 30
(thousands of dollars)

	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Revenues	3,966	3,789	640	2,929	3,394	3,639	4,011	4,142
Expenditures	3,020	3,776	2,804	3,547	3,749	3,911	3,963	4,082
Operating Results Before Transfers	946	13	(2,164)	(618)	(355)	(272)	48	60

2020-21 Forecast:

Forecasted Total Food Services Revenues are expected to be less than budget due to the closure of the campus during the summer months, a significant reduction of on-campus population expected for the entire academic year and a reduction of food services offered to comply with public health guidelines. As a direct result of lower-than-expected Total Food Services Revenues, forecasted Total Cost of Sales and Service is also forecasted to be lower than budget.

Due to the campus closure over the summer months, there is no forecasted revenue from Conference Accommodations. Additionally, due to public health restrictions, revenue from external events and film shoots is forecasted to be reduced by over 75%. Consequently, Total Other Revenue is forecasted to be lower than budget.

Total Direct Expenditures are forecasted to be lower than budget. This is attributed to savings in staffing costs as some staff have been redeployed to support other areas on campus. As well, hiring for full-time vacancies was delayed. Construction associated with the Davis Building renovation project and the renovation to Spigel kitchen has been deferred. There are forecasted savings in utilities and other expenses related to food service operations as several operations on campus remain closed. There will also be significant savings in other expenses, such as travel, marketing, and printing as most staff are working remotely and all business-related travel has been cancelled.

The Operating Result before Transfers is forecasted to be a loss of \$2.2 million and the Total Closing Fund Balance is forecasted to be \$4.7 million.

All Unrestricted Surplus will be allocated to the Construction Reserve to be used for projects like the Davis Building Food Court and Starbucks/Subway renovations to support the food service demands of a growing campus. The Construction Reserve will be used to fund a new restaurant inside the new ACT building, slated to open in 2024-25.

2021-22 Budget & Long-Range Plan:

Meal Plan Revenues for 2021-22 are expected to be lower due to residence capacity being reduced to approximately 80% of pre-pandemic levels in 2021-22. The reduced capacity is due to the UTM residences having single occupancy only and McLuhan Court residence being under renovation in 2021-22. The ancillary is committed to providing meal plans that provide value and are competitively priced with peer institutions. The proposed meal plan rates will increase by an average of 3.0% for 2021-22.

Hospitality Services is assuming Cafeteria Revenues will return to 75% of pre-pandemic levels in 2021-22.

Total Cost of Sales and Service is expected to increase as a result of the increase in Total Revenues, as well as an expected lower commission rate from the new food service contract.

Conference Revenue in 2021-22 is expected to be limited as the only likely conference activity to occur over the summer is from language camps; a full resumption of pre-pandemic Conference activities is not expected until the following year. Catering Revenue is expected to return to about 50% of pre-pandemic levels as events start returning to campus. Film shoots will continue in a limited fashion as some level of governmental restrictions, particularly throughout the summer, are still expected to be in place.

Total Direct Expenditures are budgeted to increase in 2021-22 due to the return to pre-pandemic utilities usage, the costs associated with staff working on campus, and the depreciation from the capital investment in the food service concept in the Davis Building.

The Operating Result before Transfers is projected to a loss of \$0.6 million and the Total Closing Fund Balance is projected to be \$4.1 million.

All Unrestricted Surplus will be allocated to the Construction Reserve.

It should be noted that despite the significant negative financial impacts due to the pandemic, the Construction Reserves allow for ongoing investments in the upkeep of existing operations and in sustainability projects going forward.

Parking Services

UTM is a suburban, commuter campus where the use of cars is more extensive than that of a downtown campus. Parking Services strives to embrace the Transportation Demand Management (TDM) philosophy – supporting alternative transportation modes to ease congestion – and this is demonstrated through the implementation of carpooling initiatives, a car-sharing program, various campus commuter promotions, and the UTM Shuttle Bus service.

Though there are many campus initiatives to encourage the use of buses and bike to school/work campaigns, such as the student U-Pass, the Brampton Transit Express Bus and collaboration with Commute Ontario, the use of cars and the related need for a substantial number of parking spaces continues.

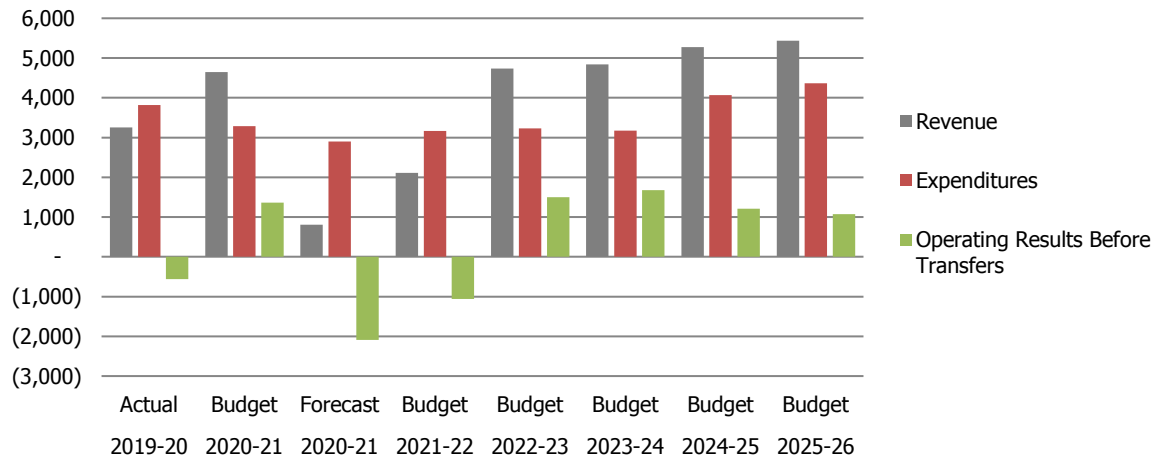
The ancillary continues to monitor supply and demand, which is based on current information such as campus population projections, specific hourly course enrolment over the week and net usable parking spaces at peak times.

As of September 2020, UTM had 2,875 gross parking spaces on campus. In the summer of 2019, 76 parking spaces were added with the expansion of Lot P8 (old Argo lot) and 54 spaces were added with the expansion and reconfiguration of Lot P5. These additional parking spaces helped to offset the temporary loss of parking spaces (approximately 91 spaces) required for staging during the building of the New Science Building in Lot P9 which commenced in summer 2020.

For the 2021-22 budget year, the ancillary will not meet all of the SARG objectives, as the ancillary is forecasting to have an unrestricted deficit balance at the end of the budget year.

However, due to the impact of the COVID-19 pandemic on ancillary operations, ancillary units will be permitted to carry a negative fund balance where there is a plan in place to address the shortfall in the next several years. Negative fund balances will be charged interest at the 3-month T-Bill rate plus an additional ¼%.

**Parking Services
Revenues & Expenditures**
(thousands of dollars)



**Parking Services
Revenues & Expenditures**
for the years ended April 30
(thousands of dollars)

	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Revenues	3,255	4,649	805	2,111	4,733	4,843	5,277	5,439
Expenditures	3,818	3,283	2,897	3,168	3,230	3,171	4,067	4,364
Operating Results Before Transfers	(563)	1,366	(2,092)	(1,057)	1,503	1,672	1,210	1,075

2020-21 Forecast:

Permit revenues and P&D machine revenues are expected to be less than budget due to a significant reduction in parking demand as a result of the substantial shift to remote working arrangements and the implementation of hybrid course delivery. Payment Processing Fees are forecasted to be under budget as a direct result of lower sales volumes.

Salaries, Wages & Benefits expense is forecasted to be less than budget primarily due to a hiring delay and lower casual employee costs.

Annual Maintenance and Major Maintenance expenses are forecasted to be less than budget due to anticipated snow removal savings, deferral of non-essential maintenance and the procurement of new vendors for lot maintenance, which resulted in overall cost savings.

Planned furniture and equipment purchases were also deferred as a cost containment measure.

The Operating Result before Transfers is forecasted to be a loss of \$2.1 million and the Total Closing Fund Balance is forecasted to be \$5.5 million, including an Unrestricted Deficit balance of \$3.1 million.

The ancillary plans to repay \$1.8 million to UTM Operating on the internal loan that was transferred to the Parking ancillary for the second parking deck.

2021-22 Budget & Long-Range Plan:

Given the uncertainty of the COVID-19 pandemic, the assumptions included in the 2021-22 budgets should be viewed as plans and do not reflect set amounts. Actual results may vary significantly.

Differentiated permit pricing increases were introduced in 2019-20 to allow for an important and much-needed price differential between permits. The 2020-21 budget built on this approach as well. For 2021-22, the established price differential will continue to exist, however a more smoothed increase of 3% will apply to all permit types. The need for additional differential price increases will again be reviewed for 2022-23 as market trends and comparators are further assessed.

2021-22 expenditures overall are expected to be less than the current year with no major projects planned. Non-essential spending will also be put on hold. Most expenses are expected to increase with inflation, contractual obligations, and some of the previously deferred costs will be incurred.

The Operating Result before Transfers is expected to be a loss of \$1.1 million in 2021-22. The Total Closing Fund Balance is projected to be \$2.7 million, including an Unrestricted Deficit balance of \$5.8 million.

The ancillary plans to fully repay its internal loan from UTM Operating for the second parking deck in 2021-22.

Due to the financial impact of the COVID-19 pandemic, the ancillary is anticipating the Total Fund Balance will include an Unrestricted Deficit position through 2023-24. In an effort to contain costs, non-essential spending will be put on hold. It is anticipated that demand for parking will return to pre-COVID levels in 2022-23, and the ancillary will return to an Unrestricted Surplus position by 2024-25.

Part of Parking Services' long-term planning includes the addition of an underground parking garage and surface parking lot for the proposed ACT building, with construction scheduled to begin in 2021-22. While still in the planning stages, the estimated revenues and expenses related to the proposed underground parking garage and surface lot have been included in the long-range plan.

Due to the timing of the payment schedules of the two internal loans from UTM Operating, the Parking ancillary will be able to re-direct the net positive cash flow that was previously directed to repay the second parking deck towards making repayments toward the internal loan for the

ACT underground garage and surface lot. Therefore, we do not anticipate any significant rate increases to the permit prices would be needed to help repay the new internal loan.

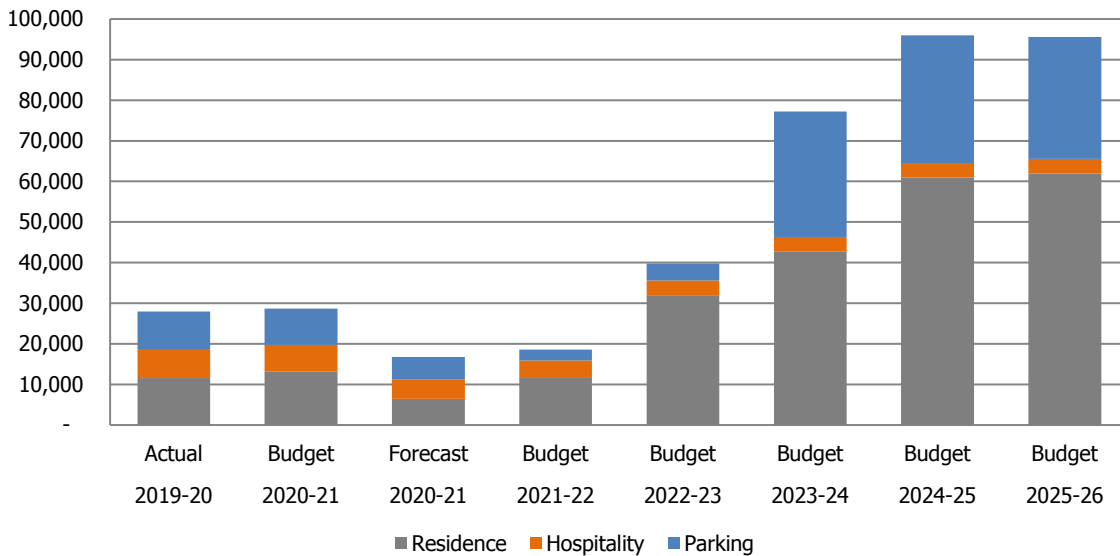
Total Fund Balance

The Total Fund Balance reflects the net worth of the service ancillaries. Over time, the fund balance changes due to the Net Operating Results for the year and Transfers in or out of the Operation. The Fund Balance is recorded in several sub-categories and the sum of these categories represents the total net worth of each ancillary.

- The Unrestricted Surplus/Deficit category represents fund balance that has not been set aside for any specific purpose.
- Various reserves such as the Operating Reserve, Capital Renewal Reserve, Building Renovations Reserve and Construction Reserve represent funds that have been set aside for these specific purposes.
- Investment in Capital Assets represents funds that have been spent on capital assets less depreciation. The funds spent when a capital asset is purchased result in an increase in the Investment in Capital Assets category and a decrease in the Unrestricted Fund Balance. Depreciation charges over the life of the capital asset will result in a decrease in the Investment in Capital Assets and an increase in the Unrestricted Fund Balance. Repayment of external loans used to acquire capital assets results in an increase in the Investment in Capital Assets.

The following chart shows the Total Fund Balances for the ancillaries from 2019-20 to 2025-26.

Total Fund Balance by Service Ancillary
for the years ended April 30
(thousands of dollars)



Total Fund Balance by Service Ancillary
for the years ended April 30
(thousands of dollars)

	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Residence	11,603	13,126	6,458	11,778	31,832	42,801	61,002	61,969
Hospitality	6,907	6,656	4,743	4,125	3,771	3,499	3,546	3,605
Parking	9,437	8,862	5,544	2,710	4,212	30,885	31,469	30,023
Total	27,947	28,644	16,745	18,613	39,815	77,185	96,017	95,597

For 2020-21, the Total Fund Balance is forecasted to be \$16.7 million. The 2021-22 operating plans are projecting a Total Fund Balance of \$18.6 million, the difference coming from the Operating Results before Transfers projected for each ancillary, less the amount of the loan principal and interest repayment to the UTM Operating budget from Parking.

The Total Fund Balance is expected to grow to \$95.6 million by 2025-26, reflecting an increase of \$78.9 million from 2020-21. This increase consists of a growth of \$55.5 million from Residence and \$24.5 million from Parking and a decrease of \$1.1 million from Hospitality. This net growth is attributed to the investments in capital assets being projected for each of the ancillaries. Capital assets are depreciated over their useful life. The expense to the operating statement is the amount of depreciation not the total amount spent at the time of the capital expenditure.

The Total Fund Balance is made up of various reserves as set by the ancillary and/or required to ensure the ancillary meets the four SARG objectives.

Fund Balance by Category
for the budget year 2021-22
(thousands of dollars)

	Unrestricted Surplus/Deficit	Investment in Capital Assets	Capital Renewal Reserve	Operating Reserve	Construction Reserve	Building Renovation Reserve	Total Fund Balance
Residence	386	10,066	50	826	450	-	11,778
Hospitality	-	2,888	10	266	961	-	4,125
Parking	(5,849)	8,332	10	217	-	-	2,710
Total	(5,463)	21,286	70	1,309	1,411	-	18,613

The anticipated Total Fund Balance for 2021-22 is \$18.6 million. Residence is allocating Unrestricted Surplus to their Construction Reserve for the new residence building and to their Building Renovation Reserve for future renovations and enhancements. Hospitality is allocating all Unrestricted Surplus to their Construction Reserves for future capital expansion. Parking is anticipating an Unrestricted Deficit balance in 2021-22.

Ancillary Debt

Total outstanding debt for the service ancillaries is projected to be \$32.6 million (on original loans issued of \$64.3 million) for 2020-21. Estimated principal and interest repayments for Residence are \$4.2 million on an outstanding balance of \$26.9 million and for Parking (CCT underground garage) are \$1.0 million on an outstanding balance of \$5.7 million.

The estimated cost of borrowing in 2020-21 is \$1.8 million or 13.7% of expenditures for Residence and \$0.4 million for Parking, which represents 13.5% of expenditures.

Principal Loan Balances
for the years ended April 30
(thousands of dollars)

	2019-20 Actual	2020-21 Forecast	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Residence	29,310	26,917	24,361	34,630	31,488	28,655	25,956
Hospitality	-	-	-	-	-	-	-
Parking	6,345	5,695	5,001	4,261	3,472	2,630	1,731
Total Loan Balance	35,655	32,612	29,362	38,891	34,960	31,285	27,687

Transfers in from UTM Operating represent amounts loaned from the UTM Operating budget to the ancillaries to fund the cost of certain capital projects. The cost of the second parking deck was funded by a contribution by the Parking ancillary of \$3.7 million and a loan from the UTM Operating account of \$7.0 million.

Principal Loan Balance - Transfer in from UTM Operating
for the years ended April 30
(thousands of dollars)

	2019-20 Actual	2020-21 Forecast	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Residence			5,248	26,499	37,031	50,985	52,187
Hospitality	-	-	-	-	-	-	-
Parking	3,423	1,732	-	-	26,233	25,507	24,245
Total Loan Balance	3,423	1,732	5,248	26,499	63,264	76,492	76,432

The total principal and interest repayment for the second parking deck is expected to be \$1.8 million for 2020-21. Annual repayments are set out in Schedule 2 of the ancillary's financial statements.

SCHEDULE 1

University of Toronto Mississauga
Projected Operating Results for the year ending April 30, 2022
 (with comparative projected surplus for the year ending April 30, 2021)
 (thousands of dollars)

Service Ancillary	Revenues	Expenditures	Net Operating Results before Transfers	Transfers in/(out)	Net Operating Results after Transfers 2022	Net Operating Results after Transfers 2021
Residence	16,415	16,095	320	5,000	5,320	(5,146)
Hospitality	2,929	3,547	(618)	-	(618)	(2,164)
Parking	2,111	3,168	(1,057)	(1,777)	(2,834)	(3,893)
Total	21,455	22,810	(1,355)	3,223	1,868	(11,203)

SCHEDULE 2

**University of Toronto Mississauga
Summary of Long-Range Budget Results**
(thousands of dollars)

2021-22								2021-22	2023-24	2025-26			
Service Ancillary	Objectives to be met within 2021-22				Unrestricted Surplus/ (Deficit)	Projected Investment in Capital Assets	Projected Commitment to Capital Renewal (Schedule 3)	Projected Operating Reserve (Schedule 3.1)	Projected Construction Reserve (Schedule 3.1)	Projected Building Renovation Reserve (Schedule 3.1)	Fund Balance	Fund Balance	Fund Balance
	1	2	3	4									
Residence	yes	yes	yes	no	386	10,066	50	826	450	-	11,778	42,801	61,969
Hospitality	yes	yes	yes	no	-	2,888	10	266	961	-	4,125	3,499	3,605
Parking	no	no	no	no	(5,849)	8,332	10	217	-	-	2,710	30,885	30,023
	Total				(5,463)	21,286	70	1,309	1,411	-	18,613	77,185	95,597

Objectives:

Plans reflect (yes) or do not reflect (no) that the Ancillary:

1. Operates without subsidy from the operating budget.
2. Includes all costs of capital renewal including deferred maintenance.
3. Generates sufficient surplus to cover operating contingencies.
4. Contributes net revenue to the operating budget.

University of Toronto Mississauga
Projected Funds to be Committed for Capital Renewal
for the years ending April 30
(thousands of dollars)

Service Ancillary	Balance May 1, 2021	Net increase (decrease) in commitments to capital renewal	Balance April 30, 2022	Balance April 30, 2026
Residence	50	-	50	50
Hospitality	10	-	10	10
Parking	-	-	10	10
Total	60	-	70	70

University of Toronto Mississauga
Projected Funds to be Committed for Operating, Construction and Building Reserves
for the years ending April 30
(thousands of dollars)

	Operating Reserve				Construction Reserve				Building Renovation Reserve			
	Balance May 1, 2021	Increase/ (Decrease) in Operating Reserve	Balance April 30, 2022	Balance April 30, 2026	Balance May 1, 2021	Increase/ (Decrease) in Construction Reserve	Balance April 30, 2022	Balance April 30, 2026	Balance May 1, 2021	Increase/ (Decrease) in Renovation Reserve	Balance April 30, 2022	Balance April 30, 2026
Service Ancillary												
Residence	748	78	826	1,063	350	100	450	-	-	-	-	5,000
Hospitality	204	62	266	310	1,943	(982)	961	481	-	-	-	-
Parking	-	217	217	229	-	-	-	-	-	-	-	-
Total	952	357	1,309	1,602	2,293	(882)	1,411	481	-	-	-	5,000

SCHEDULE 4

**University of Toronto Mississauga
Long-Range Projected Operating Results**
for the years ending April 30
(thousands of dollars)

Service Ancillary	2020-21 Forecast			2021-22 Budget			2022-23 Budget		
	Net Operating Results before Transfers	Transfers in/(out)	Net Operating Results after Transfers	Net Operating Results before Transfers	Transfers in/(out)	Net Operating Results after Transfers	Net Operating Results before Transfers	Transfers in/(out)	Net Operating Results after Transfers
Residence	(5,146)	-	(5,146)	320	5,000	5,320	54	20,000	20,054
Hospitality	(2,164)	-	(2,164)	(618)	-	(618)	(355)	-	(355)
Parking	(2,092)	(1,801)	(3,893)	(1,057)	(1,777)	(2,834)	1,503	-	1,503
Total	(9,402)	(1,801)	(11,203)	(1,355)	3,223	1,868	1,202	20,000	21,202

SCHEDULE 4, continued

University of Toronto Mississauga
Long-Range Projected Operating Results
for the years ending April 30
(thousands of dollars)

Service Ancillary	2023-24 Budget			2024-25 Budget			2025-26 Budget		
	Net Operating Results before Transfers	Transfers in/(out)	Net Operating Results after Transfers	Net Operating Results before Transfers	Transfers in/(out)	Net Operating Results after Transfers	Net Operating Results before Transfers	Transfers in/(out)	Net Operating Results after Transfers
Residence	2,169	8,800	10,969	6,702	11,500	18,202	2,266	(1,300)	966
Hospitality	(272)	-	(272)	48	-	48	60	-	60
Parking	1,672	25,000	26,672	1,210	(627)	583	1,075	(2,521)	(1,446)
Total	3,569	33,800	37,369	7,960	10,873	18,833	3,401	(3,821)	(420)

SCHEDULE 5

**University of Toronto Mississauga
Summary of 2021-22 Capital Budgets**
with comparative figures for 2020-21
(thousands of dollars)

Service Ancillary	2021-22 Budget	2020-21 Budget
Residence	5,000	68
Hospitality	956	100
Parking	134	-
Total	6,090	168

**University of Toronto Mississauga
Schedule of 2021-22 Residence Rates**

	2020-21 \$	2021-22 \$	Increase \$	Increase %	Prior Year Increase %
Undergraduate Students (Sept 1 - Apr 30)					
Roy Ivor Hall	11,385	11,926	541	4.8%	4.0%
Erindale Hall – Single	11,385	11,926	541	4.8%	4.0%
Erindale Hall – Double	7,247	7,752	505	7.0%	1.8%
Oscar Peterson Hall	10,835	11,350	515	4.8%	4.8%
MaGrath Valley – Single	11,150	11,680	530	4.8%	4.8%
MaGrath Valley – Double	7,247	7,592	345	4.8%	4.8%
Schreiberwood	10,264	10,726	462	4.5%	4.5%
McLuhan Court	10,264	10,726	462	4.5%	4.5%
Putnam Place	11,495	12,041	546	4.8%	5.0%
Leacock Lane	10,264	10,726	462	4.5%	4.5%
Graduate Student Housing (Sept 1 - Apr 30)					
Schreiberwood - Small Bachelor	8,990	9,395	405	4.5%	4.5%
Schreiberwood - Large Bachelor	9,449	9,874	425	4.5%	4.5%
Medical Student Housing (Sept 1 - May 31)					
Schreiberwood - Small Bachelor	10,114	10,569	455	4.5%	4.5%
Schreiberwood - Large Bachelor	10,630	11,108	478	4.5%	4.5%
Family Student Housing - Monthly Rate					
Schreiberwood - 3 bedroom (May 1 – Aug 31)	1,795	1,876	81	4.5%	3.8%
Schreiberwood - 3 bedroom (Sept 1 – Apr 30)	1,876	1,959	84	4.5%	4.5%
Schreiberwood - 4 bedroom (May 1 – Aug 31)	1,860	1,944	84	4.5%	3.7%
Schreiberwood - 4 bedroom (Sept 1 – Apr 30)	1,944	2,031	87	4.5%	4.5%

**University of Toronto Mississauga
Schedule of 2021-22 Meal Plan Rates**

	2020-21 \$	2021-22 \$	Increase \$	Increase %	Prior Year Increase %
Meal Plans – First-years and Upper-years					
Plus +250 Flex Dollars	4,350	4,450	100	2.3%	0.5%
Plus +100 Flex Dollars	4,200	4,300	100	2.4%	0.5%
Full +250 Flex Dollars	3,900	4,050	150	3.8%	0.8%
Full +100 Flex Dollars	3,750	3,900	150	4.0%	0.8%
Meals Plans – Upper-years only					
Light +250 Flex Dollars	3,000	3,050	50	1.7%	10.3%
Light +100 Flex Dollars	2,850	2,900	50	1.8%	10.9%
Minimum +250 Flex Dollars	2,550	2,650	100	3.9%	6.7%
Minimum +100 Flex Dollars	2,400	2,500	100	4.2%	7.1%

Notes:

Meal Plans – First-years and Upper-years:

These meal plans are required for all first-year resident students and for those students residing in Oscar Peterson Hall. Upper-year students may also select these meal plans.

Plus: This plan is best suited for students who live in residence and stay on campus on weekends.

Full: This plan is best suited for students who live in residence and go home on weekends.

Meal Plans – Upper-years only:

These meal plans are required for all upper-year resident students with the exception of Graduate Students and Students with Families.

Light: This plan is best suited for upper-year students who live in the townhomes or apartments on campus, and are around on the weekends.

Minimum: This plan is best suited for upper-year students who live in the townhomes or apartments on campus, and go home on weekends.

Flex Dollars: Flex dollars can be used to purchase all items that do not qualify for tax exemption and, therefore cannot be purchased using Basic Dollars. Specifically, convenience, confectionary, and grocery items can only be purchased using Flex Dollars. Flex Dollars can be used to purchase items from vending machines with card readers, the Blind Duck and the Duck Stop, participating Food Trucks on campus, Pizza Pizza and Pita Pit off-campus delivery, and Sheridan College – Trafalgar Campus (Tim Hortons – B-Block and Trafalgar Marketplace only).

University of Toronto Mississauga
Schedule of 2021-22 Parking Rates

	2020-21 \$	2021-22 \$	Increase \$	Increase %	Prior Year Increase %
CCT Garage (annual)	1,369.60	1,410.69	41.09	3.0%	15.0%
Lot P1 (annual)	1,137.47	1,171.59	34.12	3.0%	3.0%
Lot P5 (annual)	1,104.34	1,137.47	33.13	3.0%	0%
Lot P9 (annual)	876.99	903.30	26.31	3.0%	15.0%
Lots P4 and P8 (annual)	774.04	797.26	23.22	3.0%	1.5%
Student (sessional - Lots P4 and P8)	322.50	332.18	9.68	3.0%	1.5%
Resident (annual)	979.88	1,009.28	29.40	3.0%	1.5%
Afternoon (annual - after 3:30pm)	227.77	234.60	6.83	3.0%	1.5%
Commercial (annual)	1,296.79	1,335.69	38.90	3.0%	1.5%
Pay & Display (daily maximum) (6:30am to 8:00am next day)					
CCT Garage	20.00	20.00	-	0%	33.3%
Lot P9	17.50	17.50	-	0%	13.3%
Lot P4 and P8	15.00	15.00	-	0%	0%
Pay & Display (evening/weekend) (5:00pm to 8:00am next day)					
CCT Garage	10.00	10.00	-	0%	33.3%
Lot P9	7.00	7.00	-	0%	16.7%
Lot P4 and P8	6.00	6.00	-	0%	0%
Pay & Display (per half hour) (6:30am to 5:00pm)					
CCT Garage	3.00	3.00	-	0%	20.0%
Lot P9	2.75	2.75	-	0%	10.0%
Lot P4 and P8	2.50	2.50	-	0%	0%
Pay & Display (per half hour) (weekdays 5:00pm to 8:00am next day; weekends & holidays)					
CCT Garage	1.00	1.00	-	0%	0%
Lot P9	1.00	1.00	-	0%	0%
Lot P4 and P8	1.00	1.00	-	0%	0%

Review and Consultation Process

The University of Toronto Mississauga (UTM) Campus Affairs Committee makes recommendations to the UTM Campus Council on the annual budget related to service ancillaries. The budgets approved by the Campus Council require confirmation by the Executive Committee of Governing Council. 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. This year, the plans will report on actual financial results for the 2019-20, the forecasts for 2020-21 and budgets for the five-year period 2021-22 to 2025-26. Only the proposed budget for 2021-22 is presented for approval. The remaining budgets, actual and forecast are for comparison and information purposes.

The Student Housing and 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, and student staff in residence as well as representation from UTM's undergraduate Residence Council.

The Hospitality Services operating plan is reviewed by the Food Service Advisory Committee with membership of students (undergraduate, graduate, UTMSU, Residence Council), faculty and staff. Details of the Meal Plan component of Hospitality Services are reviewed by the Resident Student Dining Committee drawing membership from each of the residences (including first and upper-year townhouse clusters).

The Parking Services operating plan is reviewed by the Transportation & Parking Advisory Committee. Membership includes undergraduate and graduate students, faculty and staff.

As well, the University of Toronto Financial Services Department (FSD) reviews the operating plans and management reports submitted by each ancillary. Issues requiring further attention are identified by FSD and are addressed by the ancillaries.

Review and Consultation Process

Advisory Committee Meeting Dates:

Transportation and Parking Advisory Committee

October 27th, 2020

November 9th, 2020

Food Services Advisory Committee

November 16th, 2020

Resident Student Dining Committee

November 6th, 2020

Student Housing Advisory Committee

September 22nd, 2020

September 29th, 2020

October 6th, 2020

October 20th, 2020



Student Housing & Residence Life Operating Plans 2020-21 to 2025-26

Management Report

1. Overview of Objectives, Issues and Services

1.1 Service Ancillary Review Group (SARG) Objectives

- i. To operate without subsidy from the University operating budget;
- ii. To provide for all costs of capital renewal including deferred maintenance;
- iii. To create and maintain an operating reserve (excluding capital requirements) at a minimum of ten percent of annual operating expenditures as protection against unforeseen events which would have a negative financial impact on the operation;
- iv. Contribute net revenues to the operating budget, where possible.

1.2 Student Housing & Residence Life Mission

- To create a holistic student experience that promotes academic and personal success.
- To provide facilities that are safe & secure, well-maintained, and competitively priced in an effort to foster a supportive community that values diversity, equity, and inclusion.
- To offer innovative programs & services that enhance student learning & development by staying informed by research & assessment.
- To contribute to a unique and unparalleled student experience with our peer-based approach, dedicated professional staff, and collaborative attitude.

1.3 Background and Highlights

Student Housing & Residence Life (SHRL) provides a transformative experience for students in residence with typically over 1,500 workshops, events and programs annually. There are eight residence communities at the University of Toronto Mississauga (UTM) including three residence buildings and five townhouse complexes. The department also provides 24-hour on-call response, 365 days per year.

Recent highlights of the ancillary include:

- At the onset of the COVID-19 pandemic (late fiscal 2019-20), the University requested students who lived in residence, and who were able to return home, to do so. As a result of the early move-outs \$962,514 of refunds were issued.
- Student residences were deemed by the provincial government to be an essential service, and remained open throughout the pandemic to provide a welcoming home for international students, students whose family members were in self-isolation, and out-of-province students who needed more time to make travel arrangements.
- In fall 2020, SHRL welcomed students as part of the gradual return to campus. Extensive measures have been taken to create a welcoming and safe environment. Examples include: multiple move-in days, assignment of single rooms only, lower bed-to-bathroom ratios, enhanced cleaning and disinfecting protocols, enhanced public space barriers, modified operational procedures.
- Adapting programs and services to be delivered in online, hybrid and in-person formats. Maintaining in-person interaction when safe and ensuring all public health and university guidelines are met.
- Developing outdoor spaces for community interaction and small meetings and events.
- UTM also hosted, in residence, students that were participating in the University's Quarantine program, allowing students to meet the requirements of the Government of Canada Mandated 14-day Quarantine for international travel.

2. 2020-21 Operating Forecast

The COVID-19 pandemic had a significant operational and financial impact to SHRL in 2020-21. In a typical year, more than 50% of our residents are international, mostly in their first-year of study. However, first-year international students were largely unable to enter to the country due to travel restrictions.

Forecasted Total Revenues are expected to be \$8,023,254. This is \$9,847,020 lower than our approved budget revenues of \$17,870,274. Residence fees and family rent payments make up 92% of our budgeted revenues. Our fall occupancy was also significantly impacted by tri-campus refund policies. Hundreds of students cancelled their residence space and received refunds in the weeks leading up to move-in day.

Annual Building Depreciation and Interest Expenses (Mortgages) of \$4,194,674 continue to dominate the SHRL operating budget, making up 32% of Total Expenditures.

As outlined in our Student Housing Master Plan, our top priority is the maintenance and capital renewal of existing residence facilities. The unexpected financial impacts of COVID-19 have disrupted our planned maintenance and capital renewal this year. We forecast spending \$2,037,875 (15% of Total Expenditures) on annual and major maintenance by the end of the fiscal year, which is \$1,158,058 less than budgeted. These savings have been redirected to our commitments and balance our budget.

Total spending on Salary, Wages & Benefits is forecasted to be \$2,423,344. In an effort to contain costs within the new financial constraints due to COVID-19, staff vacancies were left

open and many casual contracts were not filled. Savings have been redirected to meet our other commitments and balance our budget.

Utilities are forecasted to be \$1,325,266 (10% of Total Expenditures) and our combined University and Campus Overhead Charges are forecasted to be \$630,050 (5% of Total Expenditures).

Prior to COVID-19, SHRL had several healthy reserves. At end of fiscal 2019-20, we had an Operating Reserve of \$730,019, a Capital Renewal Reserve of \$50,000, a Construction Reserve of \$2,500,000 and a Building Renovation Reserve of \$1,760,790. However, the revenue shortfalls due to COVID-19 have depleted these reserves. The short-term capital renewal plans had to be adjusted and some projects were postponed or cancelled.

The Operating Result before Transfers (Schedule 1) is forecasted to be a loss of \$5,145,329. This is \$7,758,943 less than budget. The Total Closing Fund Balance (Schedule 2) is forecasted to be \$6,457,548.

3. 2021-22 Proposed Budget

REVENUES

SHRL is not planning on demand returning to pre-COVID-19 levels in 2021-22. In accordance with public health guidelines we are planning on offering only single rooms and reducing occupancy in Erindale Hall and MaGrath Valley by approximately 200 beds. We will also have 140 beds offline in McLuhan Court due to renovations. The remaining rooms will be filled at 97.5% occupancy. As a result, we expect our overall residence population to be reduced by approximately 21% compared to pre-COVID-19 levels.

SHRL continues to build demand for a summer residence session through marketing, promotion and process improvements to the room application process. We anticipate students may need to stay in residence over the summer due COVID-19 travel restrictions. We are being very conservative with Summer Conference Business assumptions due to COVID-19.

Total Revenues are budgeted to be \$16,415,273.

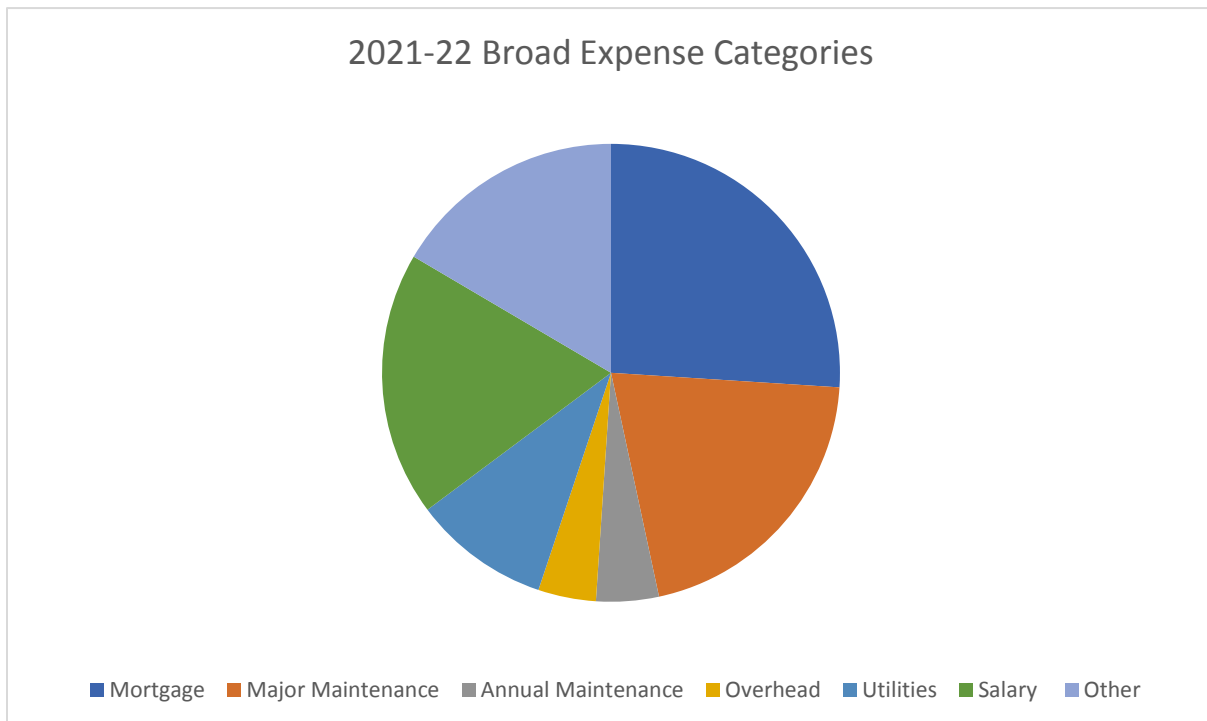
EXPENDITURES

Mortgage-related expenses and renovations are the two biggest pressures on the SHRL expenditures budget. The plans ensure positive cumulative cash flow in each year of the business plan.

- Building Depreciation & Interest Expense (Mortgages) continue to be the largest expense, accounting for 26% of Total Expenditures.
- Major maintenance and capital renewal continue to be top priorities for SHRL. Significant renovations and enhancements are planned over the next 10 plus years.

- Major Maintenance (see Schedule 3) primarily includes large-scale renovations to existing residence buildings.
- Capital Renewal (see Schedule 5) are larger projects such as building enhancements and replacement of major systems. Capital Renewal projects are subject to capitalization and depreciation.
- Annual Maintenance expenses reflect costs associated with repairs and maintenance required annually or periodically (e.g., supplies, painting, electrical, plumbing).

There will be a balance of \$450,000 in the Construction Reserve in 2021-22. The Construction Reserve represents funds that will be used towards a down payment for the new residence building.



RESIDENCE RATES

The 2021-22 residence rate sheet is presented on Schedule 6. Several data points informed the development of our rates including a rate comparison our institutional peers, demand data and feedback from our Student Housing Advisory Committee (SHAC). It should be noted that with several price points available, rates for residences at UTM compare favourably with our institutional peers. Although we have included double room rates on Schedule 6, we have not planned utilizing double rooms in 2021-22 due to public health and university COVID-19 guidelines.

In 2021-22, the Operating Result before Transfers (Schedule 1) is projected to be \$320,325. The Total Closing Fund Balance (Schedule 2) for 2021-22 is projected to be \$11,777,872.

4. Long Range Plan: 2022-23 to 2025-26

Three primary drivers impact the 5-year budget horizon:

- The first is the significant operating losses due to COVID-19 in the 2019-20 and 2020-21 budget years.
- The second is the capital renewal plan on our existing residence facilities outlined in more detail below.
- The third is the development of a new residence that is planned to open in summer 2024 (pending approval). The development of a new residence building is required to maintain UTM's commitment to the first-year guarantee.

As recommended by the Student Housing Master Plan, the SHRL long-range plan has been designed around a multi-year re-investment in our existing housing stock. Each renovation outlined below will take one cycle and will be off-line for the renovation period.

Major townhouse renovations are currently planned as follows:

2021-22 McLuhan Court Renovation
2022-23 Leacock Lane Renovation
2023-24 No Renovations, to build up Reserve Funds
2024-25 New Build Opens
2025-26 MaGrath Valley Renovation (Phase 1)
2026-27 MaGrath Valley Renovation (Phase 2)

Long-term renovation plans extend through 2029-30. Unrestricted Surplus amounts are allocated to the Building Renovation Reserve for upcoming renovations or the Construction Reserve for the new residence build. These reserves will be used to fund the renovations, capital renewal and new build outlined in the Student Housing Master Plan.

RISKS TO SHRL

COVID-19 impact on travel and demand continues to pose a significant risk to SHRL's revenues.

International recruitment is of significant risk to SHRL. Typically half of our residence population are international students. International student accept residence at a much higher rate than their domestic peers. Any change to UTM's international enrollment targets has a significant impact on our application numbers.

Construction costs escalation continues to impact our renovation and build planning. Greater Toronto Area construction prices continue to be extremely high and we need to continue to refine project escalation projections. We have planned contingencies into our capital renewal plans.

APPENDIX A

University of Toronto Mississauga Student Housing Advisory Committee Membership

Student representatives are elected (or acclaimed) from various residence sub-populations. We thank all representatives for the time invested in consultation with SHRL leadership team. SHRL provided considerable opportunity for student consultation on the 2021-22 budget. The Student Housing Advisory Committee (SHAC) had five (5) budget related meetings in September and October. **SHAC supported the 2021-22 budget and the proposed residence rates as presented in Schedule 6.**

Membership is comprised of:

Three (3) Undergraduate Representatives within Residence Council (Elected by a majority of completed ballots from the Residence Council)

Nadira Sharif, Shirely Liu, Hamza Bin Waheed

Two (2) UTM First Year Residence Community Representatives (Elected by majority of completed ballots from first year residents)

Qazi Islam, Kanya Sabherwal

One (1) UTM Upper Year Residence Community Representatives (Elected by majority of completed ballots from upper year residents)

Hannah Kroeker

One (1) Graduate Student Representatives within Residence (Elected by a majority of completed ballots from graduate students living in residence)

Vacant

One (1) Family Representative within Residence

(Elected by a majority of completed ballots from family households)

Vacant

One (1) Residence Life Don (Elected by majority of completed ballots from Don team)

Thomas Gray

One (1) Residence Peer Academic Leader (Elected by majority of completed ballots from PAL team)

Miho Suzuko

One (1) Residence Service Assistants (Elected by majority of completed ballots from Residence Service Assistants)

Daniel Boland

Students looking to share feedback or input on matters pertaining to housing services, programming for students, resources and departmental budget priorities, are encouraged to contact their area representative(s).

**University of Toronto Mississauga
Student Housing & Residence Life
Statement of Operating Results
in \$'s**

	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2020-21 Variance	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Revenues									
Residence Fees - Fall/Winter Session	13,562,319	15,579,792	6,416,480	(9,163,312)	14,178,039	15,649,418	18,038,518	22,271,697	21,995,130
Residence Fees - Summer Session	784,474	822,195	452,202	(369,993)	855,083	889,286	924,858	961,852	1,000,326
Conference	171,969	150,000	-	(150,000)	-	150,000	156,000	162,240	168,730
Other Income	294,722	344,532	225,377	(119,155)	383,427	391,735	400,236	408,933	417,832
Investment Income	103,030	77,175	8,969	(68,206)	78,719	80,293	81,899	83,537	85,207
Value of Don's & Dean's Rooms	906,842	896,580	920,226	23,646	920,005	953,410	1,156,970	1,355,459	1,328,129
Total Revenues	15,823,354	17,870,274	8,023,254	(9,847,020)	16,415,273	18,114,142	20,758,481	25,243,717	24,995,354
Direct Expenditures									
Salary, Wages & Benefits	2,474,800	3,029,261	2,423,344	605,917	3,010,648	3,131,074	3,256,317	4,048,570	4,210,512
Supplies	99,610	99,603	99,603	-	101,595	103,627	105,700	127,220	129,764
Utilities	872,323	1,340,368	1,325,266	15,102	1,558,270	1,589,435	1,621,224	1,951,305	1,990,331
Garbage	22,180	28,994	24,962	4,032	29,574	30,165	30,769	37,033	37,774
Snow Removal, Grounds Maintenance, Engineering	362,789	370,819	370,819	-	379,451	388,284	397,322	479,754	479,754
Insurance	78,443	82,452	82,452	-	84,200	85,884	87,602	105,437	107,546
Communication	124,217	233,266	233,266	-	233,932	234,610	235,302	289,354	289,354
Annual Maintenance	493,409	698,311	698,311	-	712,278	726,524	741,054	891,933	909,771
Major Maintenance	321,384	2,497,622	1,339,564	1,158,058	3,325,304	4,986,200	4,125,983	31,836	4,292,324
Furniture & Equipment Depreciation	210,844	350,456	220,519	129,937	201,618	266,095	320,999	395,141	424,695
Building Depreciation ⁽¹⁾	2,241,929	2,393,694	2,393,694	-	2,555,780	2,728,894	2,913,790	5,151,345	4,988,890
Non-Depreciable Assets	43,593	121,100	121,100	-	123,522	125,992	128,512	154,677	157,771
Loan Principal & Interest Expenses	1,975,877	1,800,980	1,800,980	-	1,638,894	1,465,780	2,198,488	1,995,811	1,824,128
Value of Don's & Dean's Rooms	906,842	896,580	920,226	(23,646)	920,005	953,410	1,156,970	1,355,459	1,328,129
Cleaning Costs	160,685	145,205	131,608	13,597	134,240	136,925	139,663	168,099	171,461
Residence Life Expenses	145,513	146,154	80,154	66,000	149,077	152,059	155,100	186,678	190,412
Advertising/Marketing/Other Commission	70,652	26,025	26,025	-	26,546	27,076	27,618	33,241	33,906
Credit Card Fees	56,177	53,232	53,232	-	54,297	55,383	56,490	67,992	69,351
Miscellaneous	241,822	318,169	193,408	124,761	197,276	201,222	205,246	247,034	251,975
Total Direct Expenditures	10,903,089	14,632,291	12,538,533	2,093,758	15,436,507	17,388,639	17,904,148	17,717,919	21,887,848
Indirect Expenditures									
Central Overhead Charges	51,832	57,062	62,743	(5,681)	65,192	66,496	67,826	81,635	83,268
Department/College Overhead Charges	520,448	528,356	528,356	-	554,585	565,677	576,990	694,465	708,355
Facilities & Services Overhead Charges	42,822	38,951	38,951	-	38,664	39,437	40,226	48,416	49,384
Total Indirect Expenditures	615,102	624,369	630,050	(5,681)	658,441	671,610	685,042	824,516	841,007
Total Expenditures	11,518,190	15,256,660	13,168,583	2,088,077	16,094,948	18,060,249	18,589,190	18,542,435	22,728,854
Operating Results Before Transfers	4,305,164	2,613,614	(5,145,329)	(7,758,943)	320,325	53,893	2,169,291	6,701,282	2,266,500

Notes:

⁽¹⁾ Depreciation on buildings was previously reported as part of the "Loan Principal & Interest Expenses" line. Restated for consistent presentation. Total Direct Expenditures is unchanged.

**University of Toronto Mississauga
Student Housing & Residence Life
Statement of Reserves
in \$'s**

	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2020-21 Variance	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Total Fund Balance - Opening	7,447,713	10,512,072	11,602,877	1,090,805	6,457,547	11,777,871	31,831,764	42,801,055	61,002,337
Net Operating Results before Transfers	4,305,164	2,613,614	(5,145,329)	(7,758,943)	320,325	53,893	2,169,291	6,701,282	2,266,500
Transfers in to Ancillary Operations ⁽¹⁾	-	-	-	-	5,000,000	20,000,000	8,800,000	13,000,000	-
Transfers (out of) Ancillary Operations ⁽²⁾	(150,000)	-	-	-	-	-	-	(1,500,000)	(1,300,000)
Net Operating Results after Transfers	4,155,164	2,613,614	(5,145,330)	(7,758,943)	5,320,325	20,053,893	10,969,291	18,201,282	966,500
Total Fund Balance - Closing	11,602,877	13,125,686	6,457,548	(6,668,138)	11,777,872	31,831,764	42,801,055	61,002,337	61,968,837
<i>Closing Fund Balance is made up of:</i>									
Investment in Capital Assets Internally Restricted	5,360,395	4,929,859	5,267,544	337,685	10,065,926	30,485,649	41,651,372	57,851,233	55,316,237
Capital Renewal Reserve	50,000	50,000	50,000	-	50,000	50,000	50,000	50,000	50,000
Operating Reserve	730,019	1,069,259	747,517	(321,742)	825,644	827,313	920,188	1,056,204	1,062,727
Construction Reserve	2,500,000	5,000,000	350,000	(4,650,000)	450,000	450,000	-	-	-
Building Renovation Reserve	1,760,790	1,800,000	-	(1,800,000)	-	-	-	1,500,000	5,000,000
Unrestricted Surplus/(Deficit)	1,201,673	276,568	42,487	(234,081)	386,302	18,802	179,495	544,900	539,873

Notes:

⁽¹⁾ The transfer (out of) Ancillary operations in 2019-20 represents the payment for the MaGrath Valley repaving project. The amounts in 2024-25 and 2025-26 represent the repayments on loans from UTM Operating.

⁽²⁾ The transfers in to Ancillary operations represent the amounts loaned from UTM Operating for the construction of the new residence building.

**University of Toronto Mississauga
Student Housing & Residence Life
Schedule of Major Maintenance
in \$'s**

	2019-20 Actual	2020-22 Budget	2020-22 Forecast	2020-22 Variance	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Major Maintenance	321,384	2,497,622	1,339,564	1,158,058	3,325,304	4,986,200	4,125,983	31,836	4,292,324
Total Major Maintenance	321,384	2,497,622	1,339,564	1,158,058	3,325,304	4,986,200	4,125,983	31,836	4,292,324

**University of Toronto Mississauga
Student Housing & Residence Life
Schedule of Deferred Maintenance
in \$'s**

	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2020-21 Variance	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Deferred Maintenance	-	-	-	-	-	-	-	-	-
Total Deferred Maintenance	-	-	-	-	-	-	-	-	-

**University of Toronto Mississauga
Student Housing & Residence Life
Schedule of Capital Expenditure
in \$'s**

	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2020-21 Variance	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Building (New Residence)	-	-	-	-	5,000,000	20,000,000	11,001,935	17,216,533	232,187
Enhancements	-	67,722	127,668	(59,946)	-	-	67,722	2,133,802	-
Furniture & Equipment	493,715	-	-	-	-	685,818	619,000	-	428,500
Total Capital Expenditure	493,715	67,722	127,668	(59,946)	5,000,000	20,685,818	11,688,657	19,350,335	660,687

**University of Toronto Mississauga
Student Housing & Residence Life
Schedule of Rates
in \$'s**

	Period	2020-21	\$ Change	% Change	2021-22	2022-23	2023-24	2024-25	2025-26
Undergraduate Student Housing									
Roy Ivor Hall	Sept 1 - Apr 30	11,385	4.75%	541	11,926	12,492	13,085	13,478	13,882
Erindale Hall – Single	Sept 1 - Apr 30	11,385	4.75%	541	11,926	12,492	13,085	13,478	13,882
Erindale Hall - Double	Sept 1 - Apr 30	7,247	6.97%	505	7,752	8,120	8,505	8,761	9,023
Oscar Peterson Hall	Sept 1 - Apr 30	10,835	4.75%	515	11,350	11,889	12,454	12,828	13,213
MaGrath Valley - Single	Sept 1 - Apr 30	11,150	4.75%	530	11,680	12,235	12,816	13,200	13,596
MaGrath Valley - Double	Sept 1 - Apr 30	7,247	4.76%	345	7,592	7,953	8,330	8,580	8,837
Schreiberwood	Sept 1 - Apr 30	10,264	4.50%	462	10,726	11,209	11,713	12,064	12,426
McLuhan Court	Sept 1 - Apr 30	10,264	4.50%	462	10,726	11,209	11,713	12,064	12,426
Putnam Place	Sept 1 - Apr 30	11,495	4.75%	546	12,041	12,613	13,212	13,608	14,016
Leacock Lane	Sept 1 - Apr 30	10,264	4.50%	462	10,726	11,209	11,713	12,064	12,426
New Residence Building - Single								13,608	14,016
New Residence Building - Double								8,845	9,110
Graduate Student Housing									
Schreiberwood - Small Bachelor	Sept 1 - Apr 30	8,990	4.50%	405	9,395	9,818	10,260	10,568	10,885
Schreiberwood - Large Bachelor	Sept 1 - Apr 30	9,449	4.50%	425	9,874	10,318	10,782	11,105	11,438
Medical Student Housing									
Schreiberwood - Small Bachelor	Sept 1 - May 31	10,114	4.50%	455	10,569	11,045	11,542	11,888	12,245
Schreiberwood - Large Bachelor	Sept 1 - May 31	10,630	4.50%	478	11,108	11,608	12,130	12,494	12,869
Family Student Housing - Monthly Rate									
Schreiberwood - 3 bedroom	May 1 - Aug 31	1,795	4.50%	81	1,876	1,960	2,048	2,109	2,172
Schreiberwood - 3 bedroom	Sept 1 - Apr 30	1,875	4.50%	84	1,959	2,047	2,139	2,203	2,269
Schreiberwood - 4 bedroom	May 1 - Aug 31	1,860	4.50%	84	1,944	2,031	2,122	2,186	2,252
Schreiberwood - 4 bedroom	Sept 1 - Apr 30	1,944	4.50%	87	2,031	2,122	2,217	2,284	2,353

Hospitality Services Operating Plans 2020-21 to 2025-26

Management Report

1. Overview of Objectives, Highlights and Services

1.1 Service Ancillary Review Group (SARG) Objectives

- i. To operate without subsidy from the University operating budget;
- ii. To provide for all costs of capital renewal including deferred maintenance;
- iii. To create and maintain an operating reserve (excluding capital requirements) at a minimum of ten percent of annual operating expenditures as protection against unforeseen events which would have a negative financial impact on the operation;
- iv. Contribute net revenues to the operating budget, where possible.

1.2 Hospitality Services Mission

- To serve a variety of quality products in well-maintained, relaxing and engaging food service outlets at prices which provide value to customers;
- To produce income for the University of Toronto Mississauga (UTM) through the utilization of campus resources that might otherwise remain idle;
- To maintain and replace campus resources which can be used for both conference and other uses;
- To further the academic mission and recruiting efforts by providing opportunities for academic and youth conferences;
- To increase campus activity in the spring/summer by contributing to a vibrant campus; providing increased employment opportunities for campus service staff; and stabilizing the annual work cycle of this seasonal campus group;
- To include sustainability considerations in all purchase and program decisions.

1.3 Background and Highlights

Food Service is typically provided through:

- The Tim Horton's full service outlet at the Davis Building Meeting Place
- The Davis Building Food Court
 - Pizza Pizza, Fusion 8, International Kitchen, On the Go, oooh la-la Breakfast Bar, Harvey's, Thai Express, Fair Trade Corner, Rotisserie, Bespoke
- The Tim Hortons Café Express and On the Go in the CCT Building
- The Starbucks Café located in the Hazel McCallion Academic Learning Centre
- The multi-concept Colman Commons Dining Hall located in Oscar Peterson Hall, including the Tea Bar
- The North Side Bistro and Starbucks at Deerfield Hall
- The Bento Sushi, Quesada and Subway at the Instructional Centre – IB Court
- The Second Cup, Soups and On the Go at the Kaneff/Innovation Complex
- The Fair Trade Coffee and Tea and On the Go at the Maanjiwe nendamowinan Building
- The Booster Juice at the Recreation, Athletics and Wellness Centre (RAWC)
- The rotating food trucks
- An arrangement enabling students to use their student meal plans to purchase:
 - Delivery from Pizza Pizza
 - Delivery and in-store from Pita Pit
 - Delivery from Burger's Priest
 - Meals at Sheridan College – Trafalgar Campus
 - Meals at the Blind Duck in the Student Center, operated by the University of Toronto Mississauga Student's Union

As a result of the pandemic, there were restrictions introduced by the provincial government and by public health that have significantly limited food service operations in 2020-21². Due to the summer campus closure and the shift to events and meetings being primarily delivered through an online platform, there is a lack of Conference business and significantly limited Catering business. Specialty vending programs have been expanded (e.g., Theos coffee machines, Daily Blends (vegetarian and vegan meals)) to support the food service program outside of operating hours and during limited operations.

2. 2020-21 Operating Forecast

Forecasted Total Food Services Revenues are expected to be less than budget by \$12,263,893 due to:

- The closure of the campus during the summer months;
- An estimated 90-97% reduction of on-campus population expected for the entire academic year;
- A reduction of the residence population by over 60%; and
- A reduction of food services offered to comply with public health guidelines.

² During the summer and fall 2020 term, all food outlets on campus were closed with the exception of Colman Commons, which was open for take-out food orders, and limited grab n' go options from the Davis Food Court outlets.

As a direct result of lower-than-expected Total Food Services Revenue, forecasted Total Cost of Sales and Service is forecasted to be \$10,000,457 lower than budget.

Due to the campus closure over the summer months, there is no forecasted revenue from Conference Accommodations. Additionally, due to public health restrictions, revenue from external events and film shoots is forecasted to be reduced by over 75%. Consequently, Total Other Revenue is forecasted to be \$885,280 lower than budget.

Total Direct Expenditures are forecasted to be \$973,641 lower than budget. This is attributed to savings in staffing costs as some staff were redeployed to support other areas on campus. As well, hiring for full-time vacancies was delayed. There were also savings in utilities and other expenses related to food service operations as several operations on campus were not open. There have also been significant savings in other expenses, such as travel, marketing, and printing as most staff are working remotely and all business-related travel was cancelled. Lastly, construction associated with the Davis Building renovation project and the renovation to Spigel kitchen were deferred.

The Operating Result before Transfers is forecasted to be a loss of \$2,164,014 and the Total Closing Fund Balance is forecasted to be \$4,743,468.

3. 2021-22 Proposed Budget

The Hospitality Services ancillary is committed to providing meal plans that provide value and are competitively priced with peer institutions. The proposed meal plan rates will increase by an average of 3.0% for 2021-22, primarily due to the forecasted increase of approximately 2.6% in the cost of food (before considering the impact of labour costs).

Changes to meal plan costs must follow suit with any changes in food prices to ensure that:

- UTM is abiding by government regulations defining tax-exempt meal plans.
- Purchasing power of meal plans is maintained from year-to-year.

Despite the forecasted 2.6% increase in food prices, there is still a lot of uncertainty on the future impact of the pandemic on the costs of food and on food supply chains in general. Hospitality Services is committed to working with UTM's food service contractor to manage price increases to ensure they are kept within the 3% range.

Additionally, residence capacity will be reduced to approximately 80% of pre-pandemic levels in 2021-22 due to:

- The UTM residences having single occupancy only
- McLuhan Court residence being under renovation in 2021-22

Hospitality Services is assuming Cafeteria Revenues will return to 75% of pre-pandemic levels in the academic year. Additional positive impacts to Cafeteria Revenues include:

- Price increases due to the aforementioned CPI increase

- Opening of a new food service concept in the Davis Building

Total Cost of Sales and Service is expected to increase from the 2020-21 forecasted amount as a result of the increase in Total Revenues, as well as an expected lower commission rate from the new food service contract.

Conference Revenue is expected to be limited as the only likely conference activity to occur over the summer is from language camps; a full resumption of pre-pandemic Conference activities is not expected until the following year. Catering Revenue is expected to return to about 50% of pre-pandemic levels as events start returning to campus. Film shoots will continue in a limited fashion as some level of governmental restrictions, particularly throughout the summer, are still expected to be in place.

Total Direct Expenditures are budgeted to increase by 29.3% compared to 2020-21 forecasted amounts primarily due to the return to pre-pandemic utilities usage, the costs associated with staff working on campus, and the depreciation from the capital investment in the food service concept in the Davis Building.

The Operating Result before Transfers is projected to a loss of \$617,933 and the Total Closing Fund Balance is projected to be \$4,125,535.

4. Categories of Users and Accessibility

Food Services are typically available and used by faculty, staff, students and visitors at the various locations and through vending machines from 7:30 am to midnight, with extended hours for purchases with the off-campus partners.

Conference Services provides event and conference planning advisory to both external and internal groups. It is anticipated that demand from internal departments and student groups will continue to increase every year, reducing the options for promoting UTM's facilities to external guests. With planned reductions in available accommodation space in Residence, the long-range plan includes a focus on long-term conference stays to maximize utilization of the accommodation space that is available. Additionally, Conference Services continues to look for new revenue streams from the use of idle campus space as part of its long-term strategy.

5. Long Range Plan: 2022-23 to 2025-26

The significant investment in food services from the Davis Building Food Court reconstruction impacts the direct expenses in the form of depreciation and increased operating costs which results in an operating loss in 2022-23 and 2023-24.

After a major investment has been made toward facilities, it is typical and expected that the ancillary will normally operate with a net operating loss for a few years. It is important to note that although the Hospitality Services ancillary has a net operating loss in each year from 2021-22 to 2023-24, the ancillary is working toward an annual break even operating model for the future. Despite the significant shortfall from 2020-

21, all net operating losses projected in the long range plan will be covered from Operating Reserves.

- For 2022-23 – Net Revenue is budgeted to increase 15.9% as Hospitality Services anticipates the on-campus activity to return to 100% of pre-pandemic levels. This revenue increase will be tempered by renovations to Leacock Lane Residence, which will decrease the number of potential meal plan students by 128. It is expected that Contribution Margin will be higher as a direct result of the increase in Revenue. The Operating Result before Transfers is expected to be a loss of \$354,835.
- For 2023-24 – Net Revenue is budgeted to increase by 7.2% as a result of CPI, a slight enrolment increase, and no planned renovations for residence. Due to a continued relatively high depreciation expense related to the Food Court and other Davis Building renovation projects, the Operating result Before Transfers is expected to be a loss of \$272,152.
- For 2024-25 – Net Revenue is budgeted to increase by 10.2%, as a result of CPI, a slight enrolment increase, the opening of the ACT Building restaurant, and the opening of the New Residence. The Operating Result before Transfers is expected to be \$47,240.
- For 2025-26 – Net Revenue is budgeted to increase by 3.3% as a result of CPI and a slight enrolment increase. The Operating Result before Transfers is expected to be \$59,509.

With the opening of several new food service spaces recently, and with a few more spaces planned over the next 5 years, Hospitality Services will be emerging out of a period of tremendous growth. The ancillary's plans will turn to refreshing and reinventing its outlets to meet the changing needs of the UTM community. Investments will also focus on expanding its sustainability initiatives and working collaboratively with other campus partners to implement new sustainability initiatives to benefit the entire UTM community.

It should be noted that despite the significant negative financial impacts due to the pandemic, the Construction Reserves allow for ongoing investments in the upkeep of existing operations and in sustainability projects going forward. Furthermore, the Hospitality Services ancillary maintained a strong positive Fund Balance to support the various construction projects, including that of the Davis Building Food Court. As a result, the ancillary is not projected to have an Unrestricted Deficit Balance during the years where it shows negative operating results. Therefore, the aforementioned investments will not put the Hospitality Services ancillary in violation of any of SARG's financial objectives for Service Ancillaries.

University of Toronto Mississauga
Hospitality Services
Statement of Operating Results
in \$'s

	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2020-21 Variance	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Revenues									
Meal Plans	4,764,373	5,684,074	1,073,211	(4,610,863)	4,524,107	5,582,922	6,147,405	6,354,523	6,347,851
Cafeteria	4,337,397	6,757,648	66,903	(6,690,745)	5,795,890	7,462,614	7,739,253	8,607,752	8,926,842
Catering	1,345,670	646,701	50,000	(596,701)	334,668	692,763	717,009	813,806	842,289
Vending	256,857	386,286	20,702	(365,584)	394,843	396,424	485,158	579,005	581,323
Total Food Services & Vending Revenues	10,704,297	13,474,709	1,210,816	(12,263,893)	11,049,508	14,134,723	15,088,825	16,355,086	16,698,305
Cost of Sales & Services									
Meal Plans & Cafeteria	7,101,082	9,953,378	712,075	9,241,303	8,287,595	10,762,568	11,456,493	12,343,877	12,601,621
Catering	1,049,874	533,529	41,250	492,279	284,468	588,848	609,458	691,735	715,945
Vending	188,811	281,989	15,113	266,876	288,236	289,390	354,165	422,095	423,785
Total Cost of Sales & Service	8,339,767	10,768,895	768,438	10,000,457	8,860,299	11,640,806	12,420,116	13,457,707	13,741,351
Contribution Margin	2,364,530	2,705,814	442,378	(2,263,436)	2,189,209	2,493,917	2,668,709	2,897,379	2,956,954
Other Revenues									
Conference Accommodation	315,849	347,398	-	(347,398)	30,571	155,912	159,030	178,432	182,001
Facility/Space Rental	738,617	414,844	100,000	(314,844)	407,835	448,619	493,481	616,851	678,536
Investment Income	97,557	102,001	97,557	(4,444)	77,619	67,508	61,702	57,248	58,021
Other	449,196	219,024	429	(218,595)	223,405	227,875	255,675	260,789	266,005
Total Other Revenues	1,601,219	1,083,266	197,986	(885,280)	739,430	899,914	969,888	1,113,320	1,184,563
Net Revenues	3,965,749	3,789,080	640,364	(3,148,716)	2,928,639	3,393,831	3,638,597	4,010,699	4,141,517
Direct Expenditures									
Salary, Wages & Benefits	1,138,486	1,234,897	1,080,438	154,459	1,191,621	1,239,286	1,288,857	1,340,412	1,394,028
Supplies	85,175	73,116	103,073	(29,957)	105,135	107,237	104,282	106,368	108,495
Insurance	7,755	9,888	8,152	1,736	8,325	8,492	8,661	8,835	9,011
Communications	15,393	17,247	8,161	9,086	16,015	16,335	16,662	16,995	17,335
Conference Accommodation	143,198	137,654	-	137,654	13,860	70,687	72,100	80,897	82,515
Furniture & Equipment Repair	65,774	74,124	51,707	22,417	68,431	69,800	71,196	76,251	77,776
Annual Maintenance	51,136	78,809	37,812	40,997	53,201	54,266	55,351	59,281	60,466
Major Maintenance	7,497	58,647	25,000	33,647	25,500	26,010	26,530	27,061	27,602
Furniture & Equipment Depreciation	429,345	712,753	575,620	137,133	654,834	694,335	721,480	690,755	727,243
Non-Depreciable Assets	73,180	78,563	78,563	(0)	80,134	81,737	87,540	89,291	91,077
Occupancy & Space	329,351	326,337	246,258	80,079	373,725	381,200	388,823	416,430	424,759
Garbage & Recycling	55,765	63,123	40,396	22,727	58,018	59,179	60,362	62,801	64,057
Cleaning	4,847	7,451	7,451	(0)	7,600	7,752	7,908	8,066	8,228
Smallwares	-	27,491	1,604	25,887	28,041	28,602	54,174	29,757	30,352
Licenses/Permits	-	115,360	113,098	2,262	115,360	173,040	176,501	180,031	183,632
Advertising/Marketing	31,198	78,798	10,461	68,337	81,822	52,458	78,508	64,578	55,669
Miscellaneous	287,403	338,339	71,161	267,178	299,014	304,994	311,094	317,316	323,662
Total Direct Expenditures	2,725,504	3,432,596	2,458,955	973,641	3,180,636	3,375,410	3,530,029	3,575,125	3,685,907
Indirect Expenditures									
Central Overhead Charges	18,968	19,347	19,545	(198)	20,682	21,096	21,518	21,948	22,387
Department/College Overhead Charges	220,821	278,596	278,596	-	291,979	297,819	303,775	309,850	316,047
Facilities & Services Overhead Charges	54,898	45,393	47,282	(1,889)	53,275	54,341	55,427	56,536	57,667
Total Indirect Expenditures	294,687	343,336	345,423	(2,087)	365,936	373,256	380,720	388,334	396,101
Total Expenditures	3,020,192	3,775,933	2,804,378	971,555	3,546,572	3,748,666	3,910,749	3,963,459	4,082,008
Operating Results Before Transfers	945,557	13,147	(2,164,014)	(2,177,161)	(617,933)	(354,835)	(272,152)	47,240	59,509

**University of Toronto Mississauga
Hospitality Services
Statement of Reserves
in \$'s**

	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2020-21 Variance	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Total Fund Balance - Opening	5,961,925	6,642,851	6,907,482	264,631	4,743,468	4,125,535	3,770,700	3,498,548	3,545,788
Operating Results before Transfers	945,557	13,147	(2,164,014)	(2,177,161)	(617,933)	(354,835)	(272,152)	47,240	59,509
Transfers in (out) of Ancillary Operations	-	-	-	-	-	-	-	-	-
Net Operating Results after Transfers	945,557	13,147	(2,164,014)	(2,177,161)	(617,933)	(354,835)	(272,152)	47,240	59,509
Total Fund Balance - Closing	6,907,482	6,655,998	4,743,468	(1,912,530)	4,125,535	3,770,700	3,498,548	3,545,788	3,605,297
<i>Closing Fund Balance is made up of:</i>									
Investment in Capital Assets Internally Restricted	2,643,884	2,718,136	2,587,105	(131,031)	2,888,271	2,678,026	2,171,909	3,052,977	2,804,213
Capital Renewal Reserve	10,000	10,000	10,000	-	10,000	10,000	10,000	10,000	10,000
Operating Reserve	246,644	277,304	203,568	(73,736)	266,447	282,252	294,865	302,082	309,784
Construction Reserve	4,006,954	3,650,558	1,942,795	(1,707,763)	960,817	800,422	1,021,774	180,729	481,300
Unrestricted Surplus/(Deficit)	-	-	-	-	-	-	-	-	-

**University of Toronto Mississauga
Hospitality Services
Schedule of Major Maintenance
in \$'s**

	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2020-21 Variance	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Capital Renewal - Major Maintenance	7,497	58,647	25,000	33,647	25,500	26,010	26,530	27,061	27,602
Total Major Maintenance	7,497	58,647	25,000	33,647	25,500	26,010	26,530	27,061	27,602

University of Toronto Mississauga
 Hospitality Services
 Schedule of Deferred Maintenance
 in \$'s

	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2020-21 Variance	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Deferred Maintenance	-	-	-	-	-	-	-	-	-
Total Deferred Maintenance	-	-	-	-	-	-	-	-	-

**University of Toronto Mississauga
Hospitality Services
Schedule of Capital Expenditure
in \$'s**

	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2020-21 Variance	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Equipment	1,584,830	100,000	518,841	(418,841)	731,000	309,090	215,363	971,824	328,478
Construction	742,356			-	225,000	175,000		600,000	150,000
Total Capital Expenditure	2,327,186	100,000	518,841	(418,841)	956,000	484,090	215,363	1,571,824	478,478

**University of Toronto Mississauga
Hospitality Services
Schedule of Rates
in \$'s**

	2020-21	\$ increase	% increase	2021-22	2022-23	2023-24	2024-25	2025-26
Meal Plans – First-years and Upper-years								
Plus +250 Flex Dollars	4,350	100	2.3%	4,450	4,650	4,800	4,925	5,050
Plus +100 Flex Dollars	4,200	100	2.4%	4,300	4,500	4,650	4,775	4,900
Full +250 Flex Dollars	3,900	150	3.8%	4,050	4,175	4,300	4,425	4,525
Full +100 Flex Dollars	3,750	150	4.0%	3,900	4,025	4,150	4,275	4,375
Meals Plans – Upper-years only								
Light +250 Flex Dollars	3,000	50	1.7%	3,050	3,200	3,300	3,375	3,475
Light +100 Flex Dollars	2,850	50	1.8%	2,900	3,050	3,150	3,225	3,325
Minimum +250 Flex Dollars	2,550	100	3.9%	2,650	2,725	2,800	2,875	2,950
Minimum +100 Flex Dollars	2,400	100	4.2%	2,500	2,575	2,650	2,725	2,800
Townhouse							1,000	1,000

Notes:

Meal Plans – First-years and Upper-years:

These meal plans are required for all first-year resident students and for those students residing in Oscar Peterson Hall. Upper-year students may also select these meal plans.

Plus: This plan is best suited for students who live in residence and stay on campus on weekends.

Full: This plan is best suited for students who live in residence and go home on weekends.

Meal Plans – Upper-years only:

These meal plans are required for all upper-year resident students with the exception of Graduate Students and Students with Families.

Light: This plan is best suited for upper-year students who live in the townhomes or apartments on campus, and are around on the weekends.

Minimum: This plan is best suited for upper-year students who live in the townhomes or apartments on campus, and go home on weekends.

Flex Dollars: Flex dollars can be used to purchase all items that do not qualify for tax exemption and, therefore cannot be purchased using Basic Dollars. Specifically, convenience, confectionary, and grocery items can only be purchased using Flex Dollars. Flex Dollars can be used to purchase items from vending machines with card readers, the Blind Duck and the Duck Stop, participating Food Trucks on campus, Pizza Pizza and Pita Pit off-campus delivery, and Sheridan College – Trafalgar Campus (Tim Hortons – B-Block and Trafalgar Marketplace only).

Townhouse: This is a new meal plan category to be introduced upon opening of the New Residence Building in 2024-25.

Parking Services Operating Plans 2020-21 to 2025-26

Management Report

1. Overview of Objectives, Highlights and Services

1.1 Service Ancillary Review Group (SARG) Objectives

- i. To operate without subsidy from the University operating budget;
- ii. To provide for all costs of capital renewal including deferred maintenance;
- iii. To create and maintain an operating reserve (excluding capital requirements) at a minimum of ten percent of annual operating expenditures as protection against unforeseen events which would have a negative financial impact on the operation;
- iv. Contribute net revenues to the operating budget, where possible.

1.2 Parking Services Mission

- To provide cost-effective and safe parking facilities for students, faculty, staff and visitors.
- To protect the campus green space through the promotion of sustainable transportation options.
- To operate a financially viable ancillary while keeping rates as low as possible.

1.3 Background and Highlights

The University of Toronto Mississauga (UTM) campus is a suburban, commuter campus where the use of cars is more extensive than that of a downtown campus. UTM Parking & Transportation Services (Parking Services) strives to embrace the Transportation Demand Management (TDM) philosophy – supporting alternative transportation modes to ease congestion – and this is demonstrated through the implementation of carpooling initiatives, a car-sharing program, various campus commuter promotions, and the UTM Shuttle Bus service.

Though there are many campus initiatives to encourage the use of buses and bike to school/work campaigns, such as the student U-Pass, the Brampton Transit Express Bus and collaboration with Commute Ontario, the use of cars and the related need for a substantial number of parking spaces continues.

The ancillary continues to monitor supply and demand, which is based on current

information such as campus population projections, specific hourly course enrolment over the week and net usable parking spaces at peak times.

- As of September 2020, UTM had 2,875 gross parking spaces on campus. In the summer of 2019, 76 parking spaces were added with the expansion of Lot P8 (old Argo lot) and 54 spaces were added with the expansion and reconfiguration of Lot P5. These additional parking spaces helped to offset the temporary loss of parking spaces (approximately 91 spaces) required for staging during the building of the New Science Building in Lot P9 which commenced in summer 2020.
- In an effort to contain the spread of COVID-19, there has been a significant shift towards remote work arrangements and hybrid course delivery (mix of online and in-person). As a result, the traffic volumes, parking lot utilization and behaviors have dramatically shifted this year as compared to prior-year trends. Parking permit sales and the need for occasional use parking passes have significantly declined in 2020-21.
- Part of Parking Services' long-term planning includes the addition of an underground parking garage and expanded surface lot for the proposed Arts, Culture and Technology (ACT) building, with construction scheduled to begin in 2021-22. The anticipated opening for this new building would be in 2024-25. The total number of parking spaces to be added from this new building has not been finalized, however initial estimates anticipate 148 new underground parking spaces and 65 surface parking spaces. Monetary assumptions for this project have been included in our long-range budget.
- Other possible options to add parking spaces on campus are to build a new parking deck over the existing parking Lot P8, or to build a parking facility under an athletic field. Although the monetary assumptions for these other options have not been reflected in the budget, efforts are being made to pursue the various opportunities as prudent long-term planning as the campus continues to grow.

Parking Services continues to focus on sustainability at the UTM campus.

- Electric Vehicle (EV) charging stations were installed in February of 2019 offering 4 hours of free charging for electric vehicles on campus. To date, we have avoided close to 13,000kg of greenhouse gas emissions with this initiative. This is equivalent to planting 327 trees and letting them grow for 10 years³.
- Multiple carpool spaces are allocated in various lots for faculty, staff and students to encourage ride sharing and to lessen the UTM community's carbon footprint. In 2020-21, 21 additional carpool spaces were added to Lot P5. This enhancement is in line with recommendations made by the Transportation Task Force Committee on sustainability.
- The Eco-Park Rebate program supports a 'green' community by promoting the use of low-emission and electric vehicles. This program partially reimburses an eligible applicant for their annual parking permit.
- The ancillary also uses solar-powered parking equipment. The use of this equipment cuts power consumption, which essentially makes part of the parking

³ Source: ChargePoint

operation "off the grid".

- The ancillary continues to offer space to Zipcar, a short-term car sharing service that provides service to the UTM community.
- Parking Services coordinates with Commute Ontario, which is an association that works to reduce traffic congestion and encourages the use of other sustainable modes of transportation, such as bikes and transit systems. Parking Services has been awarded the "Gold Workplace Designation" from Commute Ontario for the operating of such campus programs from 2012 to 2016, and received "Platinum Designation" in 2017.

2. 2020-21 Operating Forecast

In response to the pandemic, on-campus activity during the summer term was limited. Refunds were issued for parking permits for the period up to August 31, 2020. Paid parking enforcement was also suspended at the onset of the pandemic but resumed on September 1, 2020. Along with the gradual re-opening of the campus during the fall term, Parking Services has converted most services to online-only and all permits are being mailed out to either the clients' department or home address. Physical distancing and contactless measures have been implemented to ensure safe and efficient servicing. The Alumni House building, which is home to the Parking & Transportation office, remains closed to the public.

Permit revenues are expected to be less than budget by \$2,483,913. The unfavorable variance is due to a significant reduction in parking demand as a result of the substantial shift to remote working arrangements and the implementation of hybrid course delivery.

Pay and Display (P&D) machine revenues are expected to be less than budget by \$1,262,139. This is due to a significant reduction in parking demand given the limited on-campus activity.

Cash Fee revenue is also expected to be less than budget by \$74,127 as the need for departments to host visitors or guests has declined.

Salaries, Wages & Benefits expense is forecasted to be less than budget by \$69,549. This difference is primarily due to a hiring delay and lower casual employee costs.

Security Services is the cost of Campus Police, a unit that works very closely with Parking Services in enforcement, incidents and safety issues related to parking.

Annual Maintenance is forecasted to be \$128,458 under budget. This difference is due to anticipated snow removal savings, deferral of non-essential maintenance and the procurement of new vendors for lot maintenance, which resulted in overall cost savings.

Major Maintenance expenses related to paving and electronic signage have been deferred to 2022-23 budget as a cost containment measure. The result is a forecast of \$60,000 under budget.

Planned furniture and equipment purchases were also deferred as a cost containment measure. The result is a forecast of Non-Depreciable Assets to be \$40,000 less than budget.

Payment Processing Fees are forecasted to be \$90,951 under budget. The difference is a direct result of lower sales volumes.

Building Depreciation is based on the total parking deck cost.

The Operating Result before Transfers is forecasted to be a loss of \$2,091,884, a difference of \$3,457,236 from the budgeted surplus amount of \$1,365,352. The Total Closing Fund Balance is forecasted to be \$5,543,623, including an Unrestricted Deficit balance of \$3,108,363.

The ancillary plans to repay \$1,801,006 to UTM Operating on the internal loan that was transferred to the Parking ancillary for the second parking deck.

3. 2021-22 Proposed Budget

Given the uncertainty of the COVID-19 pandemic, the assumptions included in the 2021-22 budgets should be viewed as plans and do not reflect set amounts. Actual results may vary significantly.

Differentiated permit pricing increases were introduced in 2019-20 to allow for an important and much-needed price differential between permits. The 2020-21 budget built on this approach as well. For 2021-22, the established price differential will continue to exist, however a more smoothed increase of 3% will apply to all permit types. The need for additional differential price increases will again be reviewed for 2022-23 as market trends and comparators are further assessed.

The CCT Underground Garage permit price will increase from the current annual price of \$1,369.60 to \$1,410.69/annum; the Lot P9 permit price will increase from \$876.99 to \$903.30/annum; the Lot P5 permit price will increase from \$1,104.34 to \$1,137.47/annum; the Lot P1 permit price will increase from \$1,137.47 to \$1,171.59/annum. Lastly, the price for the Lot P4/P8 permits will increase from \$774.04 to \$797.26/annum.

The permit prices better reflect the convenience and demand typically associated with the CCT underground parking facility, are more in line with market comparators and creates more accurate price differentiation between the different permit types and their locations, which was a topic raised in prior feedback discussions.

Most expenses are expected to increase with inflation, contractual obligations, and some deferred costs will be realized. Expenses overall are expected to be less than the current year with no major projects planned. Non-essential spending will also be put on hold.

Building Depreciation – Capital Investment reflects the depreciation of the parking deck and will continue to be budgeted during the amortization period.

As the department shifts to a virtual and contactless operation, Parking Services is pursuing virtual permit software to integrate with current technologies and allow for the addition of License Plate Cognition (LPR) in future years. This will allow for more mobile and streamlined enforcement while incorporating virtual permits and P&D passes.

The Operating Result before Transfers is expected to be a loss of \$1,057,018 in 2021-22. The Total Closing Fund Balance is projected to be \$2,709,756, including an Unrestricted Deficit balance of \$5,848,625.

The ancillary plans to fully repay its internal loan from UTM Operating for the second parking deck in 2021-22.

4. Categories of Users and Accessibility

Parking is available for faculty, staff, students and visitors. Parking Services strives to provide sufficient parking each year; however, utilization is typically high and demanding at peak times of the day and year (i.e., September). Space utilization is carefully monitored, especially during peak times, and additional permits are released where feasible.

Barrier-free parking is available for faculty, staff, students and visitors in various lots around campus. Barrier-free parking inventory in 2020-21 continues to exceed Provincial requirements.

5. Long Range Plan: 2022-23 to 2025-26

The rates and budgets for the long-range plan for 2022-23 to 2025-26 are viewed as plans and do not reflect set amounts.

Due to the financial impact of the COVID-19 pandemic, the ancillary is anticipating the Total Fund Balance will include an Unrestricted Deficit position, in 2020-21 through 2023-24. In an effort to contain costs, non-essential spending will be put on hold. It is anticipated that demand for parking will return to pre-COVID levels in 2022-23, and the ancillary will return to an Unrestricted Surplus position by 2024-25.

Part of Parking Services' long-term planning includes the addition of an underground parking garage and surface parking lot for the proposed ACT building, with construction scheduled to begin in 2021-22. While still in the planning stages, the estimated revenues and expenses related to the proposed underground parking garage and surface lot have been included in the long-range plan.

Future construction, if planned on existing parking lots, would impact parking inventory during construction and may translate to reduced revenues and increased challenges to address demand issues. Every effort is made to plan future parking expansion projects during off-peak and summer timelines to alleviate any negative impact on parking inventory. A new residence building is planned to be constructed on Lot P6, with construction expected to begin in 2022-23.

The Parking ancillary anticipates to fully repay the internal loan for the second parking deck prior to the completion of the ACT underground garage and surface lot. The construction of the ACT underground garage and surface lot will be funded by an internal loan from the UTM Operating budget. The repayment in each year will be calculated in the same way as the internal loan for the second parking deck.

Due to the timing of the payment schedules of the two internal loans from UTM Operating, the Parking ancillary will be able to re-direct the net positive cash flow that was previously directed to repay the second parking deck towards making repayments toward the internal loan for the ACT underground garage and surface lot. Therefore, we do not anticipate any significant rate increases to the permit prices would be needed to help repay the new internal loan. The internal loan for the ACT underground garage and surface lot is anticipated to be repaid in 14 years.

**University of Toronto Mississauga
Parking Services
Statement of Operating Results
in \$'s**

	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2020-21 Variance	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Revenues									
Parking Permits	1,837,353	3,029,895	545,982	(2,483,913)	1,313,255	3,120,792	3,214,416	3,619,781	3,728,375
Pay & Display Meters	1,329,493	1,514,341	252,202	(1,262,139)	757,171	1,529,485	1,544,780	1,560,228	1,575,830
Cash Fees (Visitor Passes)	73,261	80,815	6,688	(74,127)	40,408	82,432	84,081	85,763	87,478
Investment Income	15,307	23,500	-	(23,500)	-	-	-	11,683	47,000
Total Revenues	3,255,414	4,648,551	804,872	(3,843,679)	2,110,834	4,732,709	4,843,277	5,277,455	5,438,683
Direct Expenditures									
Salaries, Wages & Benefits	379,119	414,013	344,464	69,549	394,617	410,402	426,818	443,890	461,646
Security Services	203,533	212,395	212,396	(1)	226,971	231,510	236,141	276,285	281,810
Supplies	23,513	28,780	15,254	13,526	5,780	5,896	6,014	6,134	6,256
Furniture & Equipment Repair	216,884	232,354	222,911	9,443	228,625	233,198	237,861	242,619	247,471
Annual Maintenance	275,160	406,163	277,705	128,458	299,711	305,705	311,819	360,329	367,535
Major Maintenance	898,013	60,000	-	60,000	-	60,000	-	-	-
Furniture & Equipment Depreciation	12,241	15,385	12,151	3,234	33,734	29,202	27,967	27,967	27,967
Non-Depreciable assets	18,633	40,000	-	40,000	16,000	5,000	5,100	5,202	5,306
Utilities	95,318	115,002	115,002	-	132,202	134,846	137,543	160,925	164,144
Loan Principal and Interest Expense	1,042,157	1,042,157	1,042,157	-	1,042,157	1,042,157	1,042,157	1,042,157	1,042,157
Building Depreciation	421,573	428,276	421,309	6,967	421,176	421,176	421,176	1,171,176	1,421,176
Payment Processing Fees	50,926	95,920	4,969	90,951	90,834	93,559	96,366	113,712	117,123
Finance Charges	493	1,000	50,195	(49,195)	94,782	72,514	33,007	-	-
Insurance	14,954	16,424	16,010	414	16,325	16,652	16,985	17,324	17,671
Telecommunications	5,075	7,890	4,618	3,272	4,629	4,722	4,816	4,912	5,011
Miscellaneous	5,558	11,906	2,081	9,825	3,800	3,876	3,954	4,033	4,113
Total Direct Expenditures	3,663,149	3,127,665	2,741,222	386,443	3,011,343	3,070,414	3,007,722	3,876,664	4,169,386
Indirect Expenditures									
Central Overhead Charges	12,561	12,717	12,717	-	13,022	13,282	13,548	15,851	16,168
Departmental/College Overhead Charges	60,520	56,986	56,986	-	58,957	60,136	61,339	71,766	73,202
Facilities & Services Overhead Charges	81,452	85,831	85,831	-	84,530	86,221	87,945	102,896	104,954
Total Indirect Expenditures	154,534	155,534	155,534	-	156,509	159,639	162,832	190,513	194,324
Total Expenditures	3,817,683	3,283,199	2,896,756	386,443	3,167,852	3,230,053	3,170,554	4,067,177	4,363,710
Operating Results Before Transfers	(562,269)	1,365,352	(2,091,884)	(3,457,236)	(1,057,018)	1,502,656	1,672,723	1,210,278	1,074,973

**University of Toronto Mississauga
Parking Services
Statement of Reserves
in \$'s**

	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2020-21 Variance	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Total Fund Balance - Opening	10,057,142	9,297,270	9,436,513	139,243	5,543,623	2,709,756	4,212,412	30,885,135	31,468,846
Net Operating Results before Transfers	(562,269)	1,365,352	(2,091,884)	(3,457,236)	(1,057,018)	1,502,656	1,672,723	1,210,278	1,074,973
Transfers in to Ancillary operations ⁽¹⁾	441,639	-	-	-	-	-	25,000,000	-	-
Transfer out of Ancillary operations ⁽²⁾	(500,000)	(1,801,006)	(1,801,006)	-	(1,776,849)	-	-	(626,567)	(2,520,680)
Net Operating Results after Transfers	(620,630)	(435,654)	(3,892,890)	(3,457,236)	(2,833,867)	1,502,656	26,672,723	583,711	(1,445,707)
Total Fund Balance - Closing	9,436,513	8,861,616	5,543,623	(3,317,993)	2,709,756	4,212,412	30,885,135	31,468,846	30,023,139
Closing Fund balance is made up of:									
Investments in Capital Assets	9,085,447	8,641,514	8,651,986	10,472	8,331,520	7,881,142	32,431,999	31,232,857	29,783,714
Internally Restricted									
Capital Renewal Reserve	10,000	10,000	-	(10,000)	10,000	10,000	10,000	10,000	10,000
Operating Reserve	197,518	210,102	-	(210,102)	216,861	217,577	216,663	225,989	229,425
Construction Reserve	-	-	-	-	-	-	-	-	-
Unrestricted Surplus/(Deficit)	143,548	-	(3,108,363)	(3,108,363)	(5,848,625)	(3,896,307)	(1,773,527)	-	-

Notes:

⁽¹⁾ Transfer in to Ancillary operations represents Infrastructure's payment for its portion of Lot P5/P8 repaving costs (2019-20) and loan from UTM Operating for the parking garage in the ACT building (2023-24).

⁽²⁾ Transfer out of Ancillary operations is the repayment of the loans from UTM Operating.

University of Toronto Mississauga
 Parking Services
 Schedule of Major Maintenance
 in \$'s

	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2020-21 Variance	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Capital Renewal	898,013	60,000	-	60,000	-	60,000	-	-	-
Total Major Maintenance	898,013	60,000	-	60,000	-	60,000	-	-	-

University of Toronto Mississauga
 Parking Services
 Schedule of Deferred Maintenance
 in \$'s

	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2020-21 Variance	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Deferred Maintenance	-	-	-	-	-	-	-	-	-
Total Deferred Maintenance	-	-	-	-	-	-	-	-	-

University of Toronto Mississauga
 Parking Services
 Schedule of Capital Expenditure
 in \$'s

	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2020-21 Variance	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Parking Garage	-	-	-	-	-	-	25,000,000	-	-
Virtual Permits Software	-	-	-	-	134,444	-	-	-	-
Total Capital Expenditure	-	-	-	-	134,444	-	25,000,000	-	-

**University of Toronto Mississauga
Parking Services
Schedule of Rates
in \$'s**

	2020-21	\$ Increase	2021-22	2022-23	2023-24	2024-25	2025-26
CCT Garage (annual)	1,369.60	41.09	1,410.69	1,453.01	1,496.60	1,541.50	1,587.75
Lot P1 (annual)	1,137.47	34.12	1,171.59	1,206.74	1,242.94	1,280.23	1,318.64
Lot P5 (annual)	1,104.34	33.13	1,137.47	1,171.59	1,206.74	1,242.94	1,280.23
Lot P9 (annual)	876.99	26.31	903.30	930.40	958.31	987.06	1,016.67
Lots P4 and P8 (annual)	774.04	23.22	797.26	821.18	845.82	871.19	897.33
Student (sessional - Lots P4 and P8)	322.50	9.68	332.18	342.15	352.41	362.98	373.87
Resident (annual)	979.88	29.40	1,009.28	1,039.56	1,070.75	1,102.87	1,135.96
Afternoon (annual - after 3:30pm)	227.77	6.83	234.60	241.64	248.89	256.36	264.05
Commercial (annual)	1,296.79	38.90	1,335.69	1,375.76	1,417.03	1,459.54	1,503.33
Pay & Display (daily maximum)							
<i>(6:30am to 8:00am next day)</i>							
CCT Garage	20.00	-	20.00	20.00	20.00	20.00	20.00
Lot P9	17.50	-	17.50	17.50	17.50	17.50	17.50
Lots P4 and P8	15.00	-	15.00	15.00	15.00	15.00	15.00
Pay & Display (evening/weekend)							
<i>(5:00pm to 8:00am next day)</i>							
CCT Garage	10.00	-	10.00	10.00	10.00	10.00	10.00
Lot P9	7.00	-	7.00	7.00	7.00	7.00	7.00
Lots P4 and P8	6.00	-	6.00	6.00	6.00	6.00	6.00
Pay & Display (per half hour)							
<i>(6:30am to 5:00pm)</i>							
CCT Garage	3.00	-	3.00	3.00	3.00	3.00	3.00
Lot P9	2.75	-	2.75	2.75	2.75	2.75	2.75
Lots P4 and P8	2.50	-	2.50	2.50	2.50	2.50	2.50
Pay & Display (per half hour)							
<i>(weekdays 5:00pm to 8:00am next day; weekends & holidays)</i>							
CCT Garage	1.00	-	1.00	1.00	1.00	1.00	1.00
Lot P9	1.00	-	1.00	1.00	1.00	1.00	1.00
Lots P4 and P8	1.00	-	1.00	1.00	1.00	1.00	1.00
<i>Note: Rates include HST, where applicable</i>							
Rate Increases (percentage)							
CCT Garage (annual)			3.0%	3.0%	3.0%	3.0%	3.0%
Lot P1 (annual)			3.0%	3.0%	3.0%	3.0%	3.0%
Lot P5 (annual)			3.0%	3.0%	3.0%	3.0%	3.0%
Lot P9 (annual)			3.0%	3.0%	3.0%	3.0%	3.0%
Lots P4 and P8 (annual)			3.0%	3.0%	3.0%	3.0%	3.0%
Student (sessional - Lots P4 and P8)			3.0%	3.0%	3.0%	3.0%	3.0%
Resident (annual)			3.0%	3.0%	3.0%	3.0%	3.0%
Afternoon (annual - after 3:30pm)			3.0%	3.0%	3.0%	3.0%	3.0%
Commercial (annual)			3.0%	3.0%	3.0%	3.0%	3.0%
Pay & Display - daily maximum							
CCT Garage			0.0%	0.0%	0.0%	0.0%	0.0%
Lot P9			0.0%	0.0%	0.0%	0.0%	0.0%
Lot P4 and P8			0.0%	0.0%	0.0%	0.0%	0.0%

**University of Toronto Mississauga
Parking Services
Comparator Rates – 2020-21
in \$'s**

	UTM	UTSC	St. George	York	McMaster	Credit Valley Hospital
Reserved Permits:						
Most expensive	1,369.60	1,412.64	3,840.00	1,735.68	1,524.00	N/A
Least expensive	1,104.34	1,271.40	1,920.00	1,410.24	1,140.00	N/A
Unreserved Permits:						(2)
Most expensive	876.99	1,086.70	1,740.00	1,098.36	1,200.00	750.00
Least expensive	774.04	NA	1,740.00	1,098.36	612.00	675.00
Pay & Display (daily maximum)						
Most expensive	20.00	16.00	25.00	20.00	20.00	25.00
Least expensive	15.00	10.00	13.00	10.00	8.00	16.00
Pay & Display (evening/weekend)						
Most expensive	10.00	7.00	14.00	8.00	8.00	N/A
Least expensive	6.00	2.00	7.00	5.00	4.00	N/A
Pay and Display (per half hour)		(1)			(1)	
Most expensive	3.00	2.00	4.00	2.50	3.00	3.00
Least expensive	1.00	2.00	4.00	1.75	2.50	3.00
Evening Permit						
Most expensive	227.77	652.08	960.00	N/A	612.00	N/A
Least expensive	227.77	652.08	960.00	N/A	612.00	N/A

Notes:

(1) Does not provide a 1/2 hour rate. Posted amounts have been prorated from the posted hourly rate.

(2) New hospital public parking options in effect; used multi-use parking pass options to calculate cost based on 260 weekdays in a year.