



**FOR RECOMMENDATION
TO CAMPUS COUNCIL**

PUBLIC

OPEN SESSION

TO:	UTM Campus Council
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DATE:	January 18, 2022 for January 25, 2022
AGENDA ITEM:	5

ITEM IDENTIFICATION:

Operating Plans: UTM Service Ancillaries for 2022-23

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. UTM Campus Affairs Committee [For Recommendation] (January 10, 2022)
2. **UTM Campus Council [For Approval] (January 25, 2022)**
3. University Affairs Board [For Information] (March 3, 2022)
4. Executive Committee [For Confirmation] (March 22, 2022)

PREVIOUS ACTION TAKEN:

The 2021-22 UTM service ancillaries were recommended for approval by the Campus Affairs Committee, on January 12, 2021 and approved by the UTM Campus Council on January 26, 2021.

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 2020-21 fiscal year, the forecast for 2021-22 and projections for the five-year period, 2022-23 to 2026-27. Only the proposed budget for 2022-23 is presented for approval.

Presented for consideration and recommendation to members are the following:

- The proposed 2022-23 Operating Plans and Budgets for the UTM Service Ancillaries, as summarized in Schedule 1 (page 19), the Service Ancillary Capital Budgets as summarized in Schedule 5 (page 25), and the Ancillary Rates in Schedule 6 (pages 26 - 28).

The detailed management reports and operating plans for each ancillary are contained in Appendix 2 (page 31 to 68).

Consultation:

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

A number of bodies or groups continue to be involved in consultative processes for the ancillaries prior to the operating plans being submitted to the Campus Affairs Committee. The Student Housing & Residence Life operating plan is reviewed by the Student Housing Advisory Committee (SHAC) that includes membership from all residence constituencies, including graduate and undergraduate students in residence, families in residence, student staff in residence as well as representation from UTM's undergraduate Residence Council. 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 2022-23 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 continues to have a significant impact on UTM's ancillary operations and budgets. In an effort to contain the spread of the virus, in-person activity on campus remains limited. Although we are optimistic that the ancillaries will eventually return to pre-pandemic levels of operation, we expect that the pace of financial recovery will differ significantly for each ancillary. Residence has essentially returned to pre-pandemic occupancy levels this fall. Likewise, for Hospitality, the demand for meal plans is in line with the Residence population. However, forecasting the demand for other retail food services is highly unpredictable and it will be challenging to plan the food operations with so much uncertainty. For Parking, the demand for parking spots will likely remain tempered in the near term, because of remote work and online learning arrangements. At the same time, however, the Parking operation has significant fixed costs, such as debt repayments and maintenance.

Residence welcomed students back this fall as part of the gradual return to campus. Extensive measures have been taken to create a welcoming and safe environment. With occupancy back to normal levels, the ancillary plans to contribute its net operating surplus towards rebuilding its reserves, which had been significantly drawn down in the prior year due to the financial losses from the pandemic. The reserves will be used towards major maintenance and capital renewal, which continue to be the top priority for the ancillary. Reserves will also be internally restricted to accumulate a down payment for the construction of a new residence building.

For Hospitality Services, although meal plan revenues are expected to be in line with the Residence population levels, the overall on-campus population is currently much lower than anticipated. As a result, Hospitality Services will be taking another revenue hit in 2021-22, albeit not as drastic as was experienced in 2020-21. Public health capacity restrictions did not allow the ancillary to sell conferences or events over the summer, while only allowing for moderate success from the movie shoot business. Hospitality Services also entered into its new food service contract with Aramark and is hopeful that the new menus, concepts, and programs that Aramark will be implementing throughout the year will drive more revenue.

Parking Services continues to experience a significant decline in demand for parking on campus due to sustained remote work and online learning arrangements. In an on-going effort to reduce costs, non-essential expenses have been eliminated or deferred, where possible. 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. The planned F2 Build (formerly called the ACT Building) will no longer include an underground parking area. However, once the ancillary returns to an operating surplus position, it will be able to advance other major parking projects.

2022-23 Service Ancillary Operating Plans and Budgets:

The 2022-23 budget incorporates a \$6.6 million (34.8%) increase in revenues of which: \$1.9 million is from Residence; \$1.7 million is from Hospitality Services and \$3.0 million is from Parking Services.

2022-23 Service Ancillary Capital Budgets:

Investments in new buildings, facilities improvements and equipment purchases total \$3.8 million for Residence, \$0.8 million for Hospitality and \$0.2 million for Parking.

2022-23 Service Ancillary Rates:

Most residence rates will increase in 2022-23 between 4.5% to 4.8%, with the exception of the newly renovated McLuhan Court, which will increase by 17.6%. The proposed Basic (tax-exempt) amounts for each Meal Plan will increase by an average of 3.0% for 2022-23. The Flex (taxable) amounts from which students will be able to choose to accompany their Basic funds will increase from \$100 or \$250 to \$250 or \$500. As a result of the aforementioned increases in Basic and Flex amounts, there will be an average 8.6% increase from 2021-22 Meal Plan rates. 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:

Be it Resolved,

THAT, subject to confirmation by the Executive Committee,

THAT, the proposed 2022-23 Operating Plans and Budgets for the UTM Service Ancillaries, as summarized in Schedule 1, the service ancillary capital budgets as summarized in Schedule 5, and the rates and fees in Schedule 6, as recommended by Susan Senese, Interim Chief Administrative Officer, in the proposal dated December 3, 2021, be approved, effective May 1, 2022.

DOCUMENTATION PROVIDED:

UTM Service Ancillary Report on Operating Plans 2022-23



UNIVERSITY OF
TORONTO
MISSISSAUGA

Service Ancillary Report on Operating Plans

2022-23

December 3, 2021

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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.

The COVID-19 pandemic continues to have a significant impact on UTM's ancillary operations and budgets. To contain the spread of the virus, in-person activity on campus remains limited. Although we are optimistic that the ancillaries will eventually return to pre-pandemic levels of operation, we expect that the pace of financial recovery will differ significantly for each ancillary. Residence has essentially returned to pre-pandemic occupancy levels this fall. Likewise, for Hospitality, the demand for meal plans is in line with the Residence population. However, forecasting the demand for other retail food services is highly unpredictable and it will be challenging to plan the food operations with so much uncertainty. For Parking, the demand for parking spots will likely remain tempered in the near term, because of remote work and online learning arrangements. At the same time, however, the Parking operation has significant fixed costs, such as debt repayments and maintenance.

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.

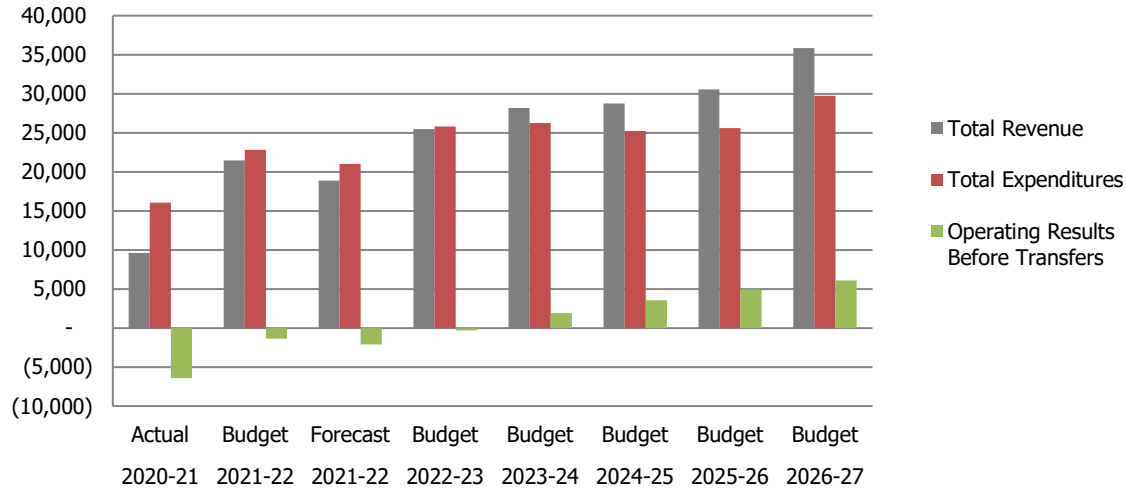
Although there is an objective of potential contributions from the ancillaries to the operating budget, at UTM, all positive net results are currently reinvested into the ancillaries to provide improved facilities, equipment and services to students, faculty and staff.

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 $\frac{1}{4}\%$. Interest charges are reflected in the 'Finance Charges' line on Schedule 1 Statement of Operations in the detailed operating schedules, where applicable.

This report includes financial highlights for 2021-22 forecasts, 2022-23 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)

	2020-21 Actual	2021-22 Budget	2021-22 Forecast	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget	2026-27 Budget
Revenues								
Residence	7,973	16,415	15,519	17,378	19,414	19,676	21,202	26,128
Hospitality	869	2,929	1,864	3,574	4,118	4,357	4,498	4,708
Parking	781	2,111	1,515	4,527	4,633	4,743	4,868	5,004
Total Revenues	9,623	21,455	18,898	25,479	28,165	28,776	30,568	35,840
Total Expenditures	16,053	22,810	21,005	25,787	26,270	25,239	25,616	29,758
Operating Results Before Transfers	(6,430)	(1,355)	(2,107)	(308)	1,895	3,537	4,952	6,082

The UTM service ancillaries are forecasting Operating Losses before Transfers of \$2.1 million for the year ending April 30, 2022 on projected Total Revenues of \$18.9 million, which is \$2.6 million less than budget. Total Expenditures are expected to be \$1.8 million less than budget. The resulting forecasted Operating Loss before Transfers of \$2.1 million is a \$4.3 million smaller loss than prior year actuals Operating Loss before Transfers of \$6.4 million.

Each of the ancillaries contributes to the forecasted 2021-22 Operating Losses before Transfers of \$2.1 million, as follows:

- SHRL's Total Revenues are expected to be slightly lower than budget. Total spending on Salary, Wages & Benefits is forecasted to be lower than the budget, due to delays in filling several positions during the pandemic to reduce expenses. However, the plan is to return to full staffing levels later this year.
- Hospitality Services' Total Food Services Revenues are expected to be less than budget due to a significant reduction of the on-campus population expected for the entire academic year, limitations on indoor gatherings, drastically reducing catering and conference revenue, 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. Savings are anticipated in staffing costs as a result of delaying the hiring for full-time vacancies. Also, construction associated with the Davis Building renovation project (plant-based food service outlet) and the renovation to Spigel kitchen has been deferred.
- Parking Services' Total Revenues are expected to be less than budget. Despite the return of some on-campus activities in Fall 2021, Parking Services continues to experience significantly reduced parking demand as a result of ongoing remote working arrangements and hybrid course delivery for Fall. Payment Processing Fees are also forecasted to be under budget as a direct result of lower sales volumes.
- The long-range plan projects Total Revenues to increase by \$16.9 million by 2026-27, of which \$10.6 million is from SHRL, \$2.8 million is from Hospitality Services and \$3.5 million is from Parking Services.

Review of the UTM Ancillary Operations

SHRL welcomed students to residence this fall as part of the gradual return to campus. Extensive measures have been taken to create a welcoming and safe environment. Throughout the pandemic SHRL has provided isolation spaces in residence, food delivery and support services for residents as they navigate testing and various public health processes. With occupancy back to normal levels, the ancillary plans to contribute its net operating surplus towards rebuilding its reserves, which had been significantly drawn down in the prior year due to the financial losses from the pandemic. The reserves will be used towards major maintenance and capital renewal, which continue to be the top priority for the ancillary. Reserves will also be internally restricted to accumulate a down payment for the construction of a new residence building, planned to open in the summer of 2026.

For Hospitality Services, the demand for meal plans is expected to increase in line with the Residence population level. Although meal plan revenues are expected to be in line with the Residence population levels, the overall on-campus population is currently much lower than anticipated. As a result, Hospitality Services will be taking another revenue hit in 2021-22, albeit not as drastic as was experienced in 2020-21. Public health capacity restrictions did not allow the ancillary to sell conferences or events over the summer, while only allowing for moderate success from the movie shoot business.

Hospitality Services also entered into its new food service contract with Aramark and is hopeful that the new menus, concepts, and programs that Aramark will be implementing throughout the year will drive more revenue. In the fall, the ancillary will be launching a self-sustaining commercial farm for the campus as well as the OZZI green container program as part of its sustainability plan.

A significant risk to the ancillary is the threat to funding available for the future replacement of equipment and refreshment of food outlets. The timing of the construction and completion of certain food service construction projects has been delayed, where appropriate. However, resources will continue to be dedicated for the proper maintenance and refreshment of the current food outlets. The ancillary is also working diligently to implement value-added and safe service options, such as expanding off-campus partnerships and adding self-serve options, to increase revenue while minimizing associated expenses.

Parking Services continues to experience a significant decline in demand for parking on campus due to sustained remote work and online learning arrangements. To reduce costs, non-essential expenses have been eliminated or deferred, where possible. The demand for parking spots will likely remain tempered in the near term. At the same time, however, the Parking operation has significant fixed costs, such as debt repayments and maintenance. The Parking ancillary must incur these costs regardless of the level of revenues.

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.,

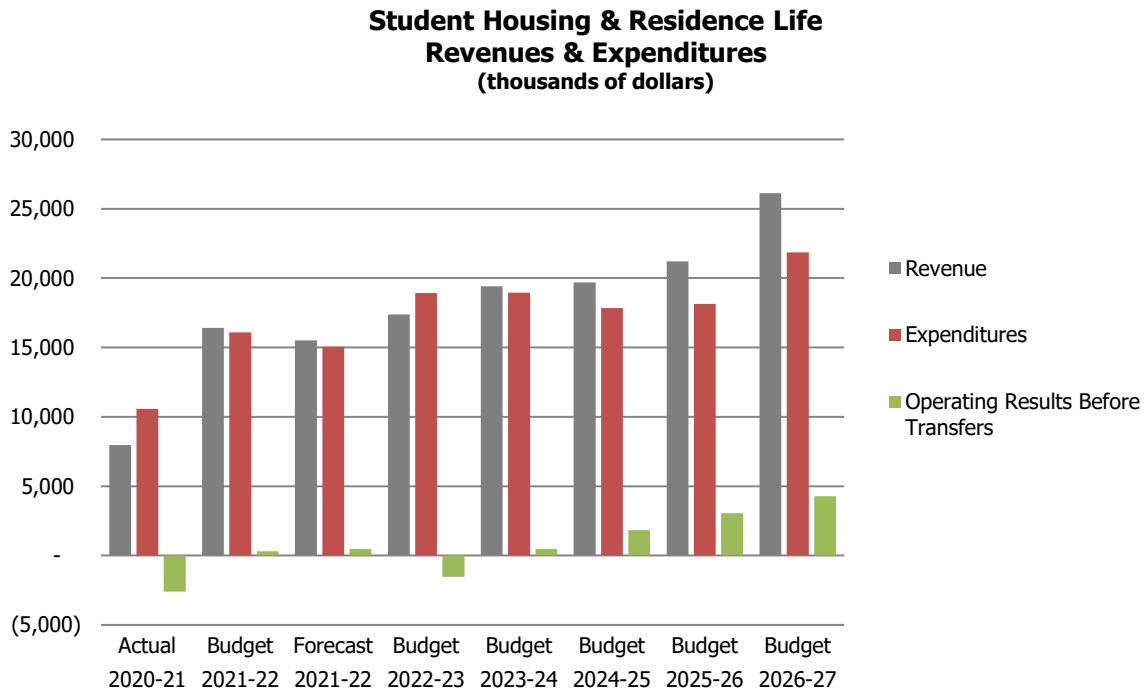
parking lot utilization and permit waiting lists) strongly suggest that demand for parking remains high. In addition, many staff and students reside outside of public transit convenience and driving to campus is their preferred option. There may also be a shift in behavior as driving to campus may become a preferred option over taking public transit.

The planned F2 Build (formerly called the ACT Building) will no longer include an underground parking area. However, once the ancillary returns to an operating surplus position, it will be able to advance other major parking projects.

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 a year.

For the 2022-23 budget year, the ancillary will meet three of the objectives, as it does not currently contribute to the operating budget. All positive net results are currently reinvested into the ancillary to provide improved facilities, equipment and services.



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

	2020-21 Actual	2021-22 Budget	2021-22 Forecast	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget	2026-27 Budget
Revenues	7,973	16,415	15,519	17,378	19,414	19,676	21,202	26,128
Expenditures	10,574	16,095	15,046	18,921	18,940	17,847	18,140	21,853
Operating Results Before Transfers	(2,601)	320	473	(1,543)	474	1,829	3,062	4,275

2021-22 Forecast:

The COVID-19 pandemic had a significant operational and financial impact to SHRL and the ancillary continues to feel these impacts and operational challenges. For many residents, move-in was delayed due to travel restrictions and visa challenges. SHRL has so far maintained enhanced cleaning protocols and twice daily cleaning of high touch areas. However, the financial recovery has been remarkable. The 2020-21 fiscal year was the worst on record and devastated our financial position and reserves. In 2021-22, we experienced record applications and a return to (almost) pre-pandemic occupancy levels.

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.

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. SHRL is projected to spend \$3.2 million on Major Maintenance and reinvestment in our facilities this year.

Prior to COVID-19, SHRL had several healthy reserves. The revenue shortfalls due to COVID-19 depleted these reserves, and the short-term capital renewal plans had to be adjusted resulting in some projects being postponed or cancelled. At the end of fiscal 2020-21, we had a Construction Reserve of \$4.2 million and a Building Renovation Reserve of \$2.7 million. A transfer of \$4.8 million in to Ancillary Operations as a construction loan helped alleviate losses in reserves.

The Operating Result before Transfers is forecasted to be \$0.5 million. The Total Closing Fund Balance is forecasted to be \$14.5 million.

2022-23 Budget & Long-Range Plan:

SHRL is planning on demand returning to pre-COVID-19 levels in 2022-23. We have planned for fewer students in double rooms for the comfort of our students during COVID-19. We will also have 140 beds offline in Leacock Lane due to renovations. The remaining rooms will be filled at 97.5% Occupancy. We were challenged to meet the requirements of the first-year guarantee in 2021-22. We anticipate this will continue to be a challenge until the new residence building opens.

Most residence rates will increase in 2022-23 between 4.5% to 4.8%, with the exception of the newly renovated McLuhan Court, which will increase by 17.6%.

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.

The Operating Result before Transfers is expected to be a loss of \$1.5 million in 2022-23. The Total Closing Fund Balance is projected to be \$12.9 million.

The \$1.5 million loss in 2022-23 is primarily the result of significant renovation and re-investment in existing residence facilities. Our cumulative cash flow and fund balance remain positive.

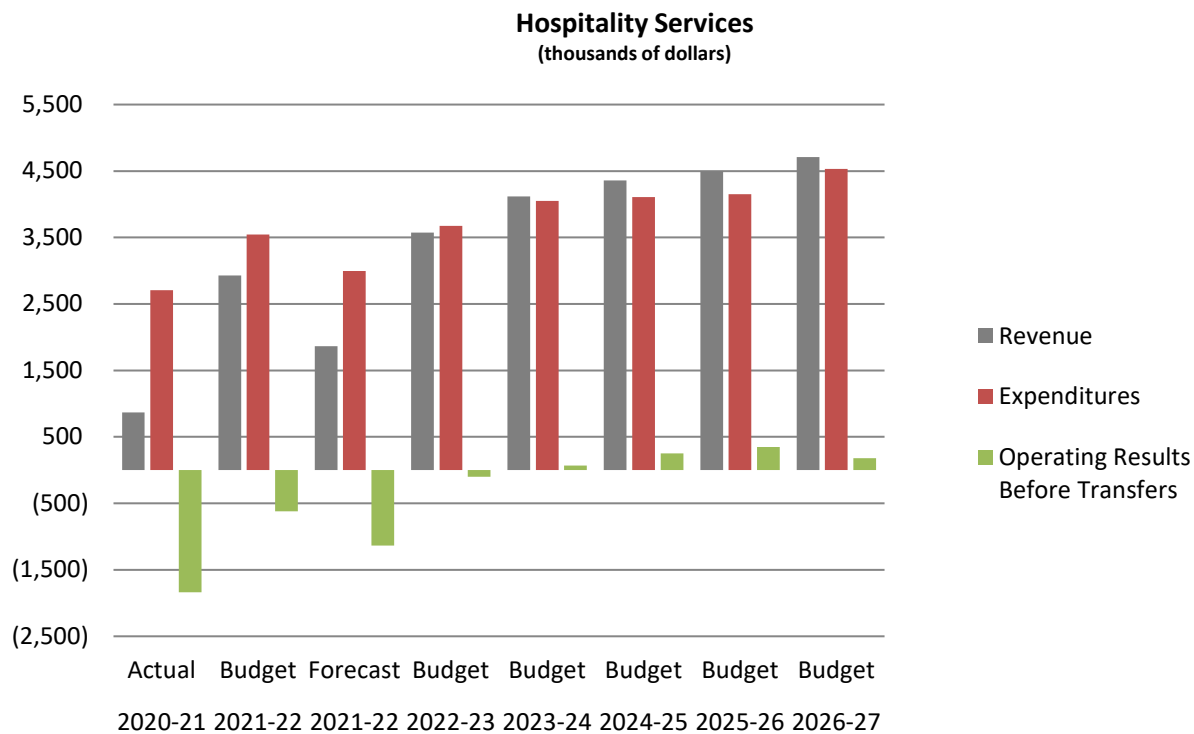
Three primary drivers impact the 5-year budget horizon. The first is the significant operating losses due to COVID-19 in the 2019-20 and 2020-21 budget years. The second is the capital renewal plan for our existing residence facilities. The third is the plan for a new residence to open in the summer of 2026.

Long-term renovation plans extend beyond 2026-27. Unrestricted Surplus amounts are allocated to the Building Renovation Reserve for upcoming renovations or the Construction Reserve for the new residence build. The 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 2022-23 budget year, the ancillary will meet three of the objectives, as it does not currently contribute to the operating budget. 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)

	2020-21 Actual	2021-22 Budget	2021-22 Forecast	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget	2026-27 Budget
Revenues	869	2,929	1,864	3,574	4,118	4,357	4,498	4,708
Expenditures	2,705	3,547	2,997	3,673	4,049	4,107	4,149	4,530
Operating Results Before Transfers	(1,836)	(618)	(1,133)	(99)	69	250	349	178

2021-22 Forecast:

Forecasted Total Food Services Revenues are expected to be less than budget due to significant limits on indoor gatherings, a significant reduction of on-campus population 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, Total Cost of Sales and Services is expected to be lower than budget. Additionally, Hospitality Services is receiving a fixed fee from Aramark instead of a commission on sales for 2021-22 due to the uncertainty of the pandemic on food service operations for this year.

Due to restrictions placed on events, the ancillary was only able to utilize the idle space on campus to increase film shoot business, resulting in a forecasted Total Other Revenue lower than budget.

Total Direct Expenditures are forecasted to be lower than budget. This is attributed to savings in staffing costs by delaying the hiring for full-time vacancies. 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 from staff still working remotely and all business-related travel was suspended. Lastly, construction associated with the Davis Building renovation project (plant-based food service outlet) and the renovation to Spigel kitchen were deferred.

The Operating Result before Transfers is forecasted to be a loss of \$1.1 million and the Total Closing Fund Balance is forecasted to be \$3.9 million.

2022-23 Budget & Long-Range Plan:

With respect to Meal Plan Revenues, Hospitality Services is forecasting a residence occupancy of about 95% of pre-pandemic levels due to the possibility of travel restrictions and vaccination statuses still having a minor impact on Residence's ability to return to pre-pandemic capacity levels and due to the impact of Leacock Lane renovations. The ancillary is committed to providing meal plans that provide value and are competitively priced with peer institutions. The proposed Basic (tax-exempt) amounts for each meal plan rates will increase by an average of 3.0% for 2022-23. The Flex (taxable) amounts from which students will be able to choose to accompany their Basic funds will increase from \$100 or \$250 to \$250 or \$500. As a result of the aforementioned increases in Basic and Flex amounts, the proposed meal plan rates represent an average 8.6% increase from 2021-22.

Hospitality Services is assuming the following levels of Revenues in 2022-23:

- Cafeteria and Vending Revenues will return to 90% of pre-pandemic levels.
- Catering Revenues will return to 75% of pre-pandemic levels.
- Conference Revenues will return to 75% of pre-pandemic levels.

Total Cost of Sales and Service is expected to increase in line with the increase in Total Revenues.

Total Direct Expenditures are budgeted to increase in 2022-23 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 expected to be a loss of \$0.1 million in 2022-23. The Total Closing Fund Balance is projected to be \$3.8 million.

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 supports 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.

Parking Services' long-term planning includes the building of additional parking structures on campus. It is important to note that potential building sites on campus are limited and often constrained by environmental factors, size and scope. It is natural for existing surface parking lots to serve as ideal potential building sites. With this in mind, a mix of new above-ground and underground parking structures on campus are being explored to offset the anticipated loss of surface parking over the coming years.

In prior reports, it was anticipated that the proposed Arts, Culture and Technology (ACT) building (recently renamed "F2 Build") would include an underground and surface parking lot. Due to environmental, structural and cost factors beyond our control, underground parking at this location is no longer feasible. Efforts to expand surrounding surface parking continue to be explored, however the net increase in parking spaces will likely be small.

Possible options to add parking spaces on campus include building an underground parking structure on Lot P9, with the capacity to support a future building above, building a parking facility under an athletic field and building a new parking deck over the existing parking Lot P8.

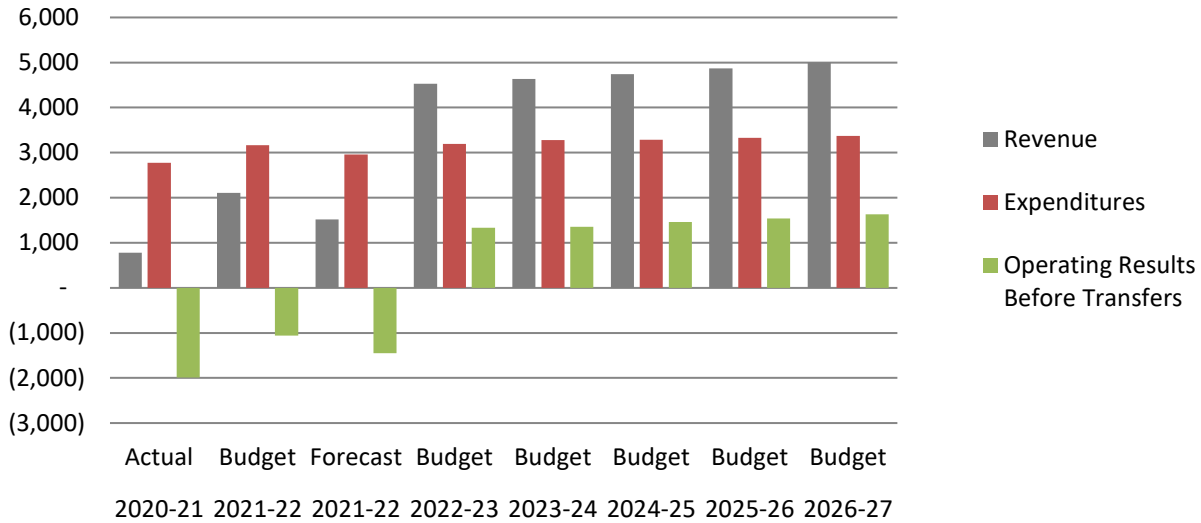
Although the monetary assumptions for these options have not been reflected in the budget, the ancillary plans to contribute to a Construction Reserve once it returns to an Unrestricted Surplus balance, starting in 2025-26. Efforts are being made to pursue these various opportunities as part of prudent long-term planning with a strategic approach to minimize the need for large fee increases.

For the 2022-23 budget year, the ancillary will not meet any 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 is forecasting unrestricted deficit balances through to 2024-25.

Parking Services
(thousands of dollars)



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

	2020-21 Actual	2021-22 Budget	2021-22 Forecast	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget	2026-27 Budget
Revenues	781	2,111	1,515	4,527	4,633	4,743	4,868	5,004
Expenditures	2,774	3,168	2,962	3,193	3,281	3,285	3,327	3,375
Operating Results Before Transfers	(1,993)	(1,057)	(1,447)	1,334	1,352	1,458	1,541	1,629

2021-22 Forecast:

Permit revenues and P&D machine revenues are expected to be less than budget due to a continued reduction in parking demand as remote work arrangements and the hybrid course delivery continue. 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 staff redeployments.

Annual Maintenance and Major Maintenance expenses are forecasted to be less than budget due to anticipated snow removal savings and less than budgeted need for electrical repairs.

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 \$1.4 million and the Total Closing Fund Balance is forecasted to be \$2.4 million, including an Unrestricted Deficit balance of \$5.8 million.

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

2022-23 Budget & Long-Range Plan:

Operating under the premise that the university plans to return to in-person classes starting January 2022, it is anticipated that the ancillary will see a return to the normal, pre-pandemic level of sales. Nonetheless, the assumptions included in the 2022-23 budgets should be viewed as plans and do not necessarily reflect set amounts.

Different permit offerings have different rates reflective of their value based on location, supply and amenities. The established permit prices echo the different levels of convenience and cost associated with parking.

An increase of 3% for all permit prices is planned. The need for additional price increases will continue to be reviewed as market trends and comparator rates are further assessed.

Most expenses are expected to increase with inflation, contractual obligations, and some deferred costs will be realized. Overall, expenses are expected to be more in line with traditional operational spending, maintenance schedules and their associated costs.

The Operating Result before Transfers is expected to be \$1.3 million in 2022-23. The Total Closing Fund Balance is projected to be \$3.8 million, including an Unrestricted Deficit balance of \$4.4 million.

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 2024-25.

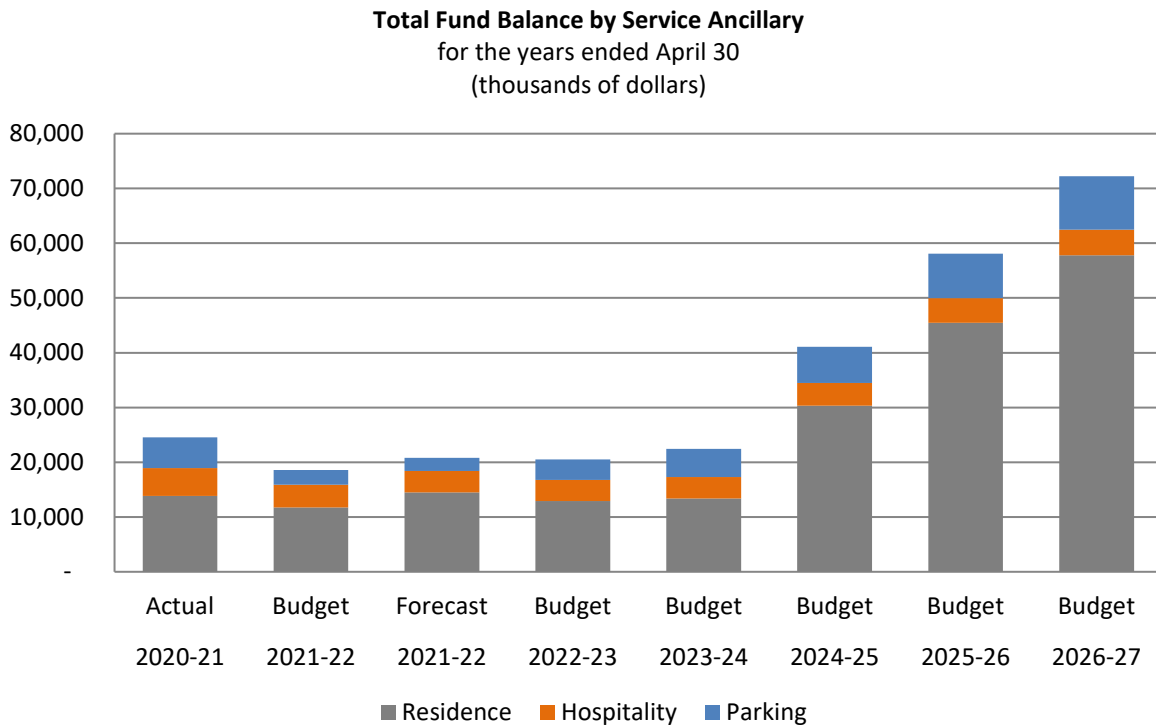
Looking ahead, several existing parking lots have been identified as potential building sites in the draft Campus Master Plan. The building of additional parking structures will be necessary to offset the potential loss of current parking as the campus continues to grow and expand. Even with impactful alternative transportation measures, it is anticipated that parking demand will eventually outweigh supply.

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 divided into 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. 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 2020-21 to 2026-27.



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

	2020-21 Actual	2021-22 Budget	2021-22 Forecast	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget	2026-27 Budget
Residence	13,861	11,778	14,474	12,932	13,406	30,344	45,471	57,789
Hospitality	5,072	4,126	3,939	3,840	3,909	4,159	4,508	4,686
Parking	5,643	2,710	2,419	3,753	5,104	6,562	8,103	9,732
Total	24,576	18,614	20,832	20,525	22,419	41,065	58,082	72,207

For 2021-22, the Total Fund Balance is forecasted to be \$20.8 million. The 2022-23 operating plans are projecting a Total Fund Balance of \$20.5 million.

The Total Fund Balance is expected to grow to \$72.2 million by 2026-27, reflecting an increase of \$51.4 million from 2021-22. This increase consists of a growth of \$43.3 million from Residence, \$0.8 million from Hospitality and \$7.3 million from Parking. This 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 2022-23
(thousands of dollars)

	Unrestricted Surplus/Deficit	Investment in Capital Assets	Capital Renewal Reserve	Operating Reserve	Construction Reserve	Building Renovation Reserve	Total Fund Balance
Residence	560	11,490	50	832	-	-	12,932
Hospitality	-	2,547	10	285	998	-	3,840
Parking	(4,404)	7,930	10	217	-	-	3,753
Total	(3,844)	21,967	70	1,334	998	-	20,525

Ancillary Debt

Total outstanding debt for the service ancillaries is projected to be \$30.1 million (on original loans issued of \$63.5 million) for 2021-22. Estimated principal and interest repayments for Residence are \$4.2 million on an outstanding balance of \$24.4 million and for Parking (CCT underground garage) are \$1.0 million on an outstanding balance of \$5.0 million.

The estimated cost of borrowing in 2021-22 is \$1.6 million or 10.9% of expenditures for Residence and \$0.4 million for Parking, which represents 11.8% of expenditures.

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

	2020-21 Actual	2021-22 Forecast	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget	2026-27 Budget
Residence	26,917	24,361	21,632	18,706	16,106	13,656	22,422
Hospitality	-	-	-	-	-	-	-
Parking	5,695	5,001	4,261	3,472	2,630	1,731	773
Total Loan Balance	32,612	29,362	25,893	22,178	18,736	15,387	23,195

Transfers in from the UTM Operating budget 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 \$3.6 million and a loan from the UTM Operating account of \$7.0 million.

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

	2020-21 Actual	2021-22 Forecast	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget	2026-27 Budget
Residence	4,859	5,000	5,000	5,000	21,104	34,814	44,984
Hospitality	-	-	-	-	-	-	-
Parking	1,732	-	-	-	-	-	-
Total Loan Balance	6,591	5,000	5,000	5,000	21,104	34,814	44,984

The total principal and interest repayment for the second parking deck is \$1.8 million for 2021-22. This represents the final payment for the loan from the UTM Operating account for the second parking deck.

SCHEDULE 1

University of Toronto Mississauga
Projected Operating Results for the year ending April 30, 2023
 (with comparative projected surplus for the year ending April 30, 2022)
 (thousands of dollars)

Service Ancillary	Revenues	Expenditures	Net Operating Results before Transfers	Transfers in/(out)	Net Operating Results after Transfers 2023	Net Operating Results after Transfers 2022
Residence	17,378	18,921	(1,543)	-	(1,543)	614
Hospitality	3,574	3,673	(99)	-	(99)	(1,133)
Parking	4,527	3,193	1,334	-	1,334	(3,224)
Total	25,479	25,787	(308)	-	(308)	(3,743)

SCHEDULE 2

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

2022-23								2022-23	2024-25	2026-27			
Service Ancillary	Objectives to be met within 2022-23				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	560	11,490	50	832	-	-	12,932	30,344	57,789
Hospitality	yes	yes	yes	no	-	2,547	10	285	998	-	3,840	4,159	4,686
Parking	no	no	no	no	(4,404)	7,930	10	217	-	-	3,753	6,562	9,732
	Total				(3,844)	21,967	70	1,334	998	-	20,525	41,065	72,207

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, 2022	Net increase (decrease) in commitments to capital renewal	Balance April 30, 2023	Balance April 30, 2027
Residence	50	-	50	50
Hospitality	10	-	10	10
Parking	-	10	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, 2022	Increase/ (Decrease) in Operating Reserve	Balance April 30, 2023	Balance April 30, 2027	Balance May 1, 2022	Increase/ (Decrease) in Construction Reserve	Balance April 30, 2023	Balance April 30, 2027	Balance May 1, 2022	Increase/ (Decrease) in Renovation Reserve	Balance April 30, 2023	Balance April 30, 2027
Service Ancillary												
Residence	736	96	832	1,066	2,790	(2,790)	-	-	160	(160)	-	-
Hospitality	228	57	285	349	1,246	(248)	998	1,003	-	-	-	-
Parking	-	217	217	230	-	-	-	3,397	-	-	-	-
Total	964	370	1,334	1,645	4,036	(3,038)	998	4,400	160	(160)	-	-

SCHEDULE 4

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

Service Ancillary	2021-22 Forecast			2022-23 Budget			2023-24 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	473	141	614	(1,543)	-	(1,543)	474	-	474
Hospitality	(1,133)	-	(1,133)	(99)	-	(99)	69	-	69
Parking	(1,447)	(1,777)	(3,224)	1,334	-	1,334	1,352	-	1,352
Total	(2,107)	(1,636)	(3,743)	(308)	-	(308)	1,895	-	1,895

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

Service Ancillary	2024-25 Budget			2025-26 Budget			2026-27 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	1,829	15,108	16,937	3,062	12,065	15,127	4,275	8,043	12,318
Hospitality	250	-	250	349	-	349	178	-	178
Parking	1,458	-	1,458	1,541	-	1,540	1,629	-	1,629
Total	3,537	15,108	18,645	4,952	12,065	17,016	6,082	8,043	14,125

SCHEDULE 5

**University of Toronto Mississauga
Summary of 2022-23 Capital Budgets**
with comparative figures for 2021-22
(thousands of dollars)

Service Ancillary	2022-23 Budget	2021-22 Budget
Residence	3,797	5,000
Hospitality	753	956
Parking	174	134
Total	4,724	6,090

**University of Toronto Mississauga
Schedule of 2022-23 Residence Rates**

	2021-22 \$	2022-23 \$	Increase \$	Increase %	Prior Year Increase %
Undergraduate Students (Sept 1 - Apr 30)					
Roy Ivor Hall	11,926	12,492	566	4.7%	4.8%
Erindale Hall – Single	11,926	12,492	566	4.7%	4.8%
Erindale Hall – Double	7,752	8,120	368	4.7%	7.0%
Oscar Peterson Hall	11,350	11,889	539	4.7%	4.8%
MaGrath Valley – Single	11,680	12,235	555	4.8%	4.8%
MaGrath Valley – Double	7,592	7,953	361	4.7%	4.8%
Schreiberwood	10,726	11,209	483	4.5%	4.5%
McLuhan Court	10,726	12,613	1,887	17.6%	4.5%
Putnam Place	12,041	12,613	572	4.8%	4.7%
Leacock Lane	10,726	11,209	483	4.5%	4.5%
Graduate Student Housing (Sept 1 - Apr 30)					
Schreiberwood - Small Bachelor	9,395	9,818	423	4.5%	4.5%
Schreiberwood - Large Bachelor	9,874	10,318	444	4.5%	4.5%
Medical Student Housing (Sept 1 - May 31)					
Schreiberwood - Small Bachelor	10,569	11,045	476	4.5%	4.5%
Schreiberwood - Large Bachelor	11,108	11,608	500	4.5%	4.5%
Family Student Housing - Monthly Rate					
Schreiberwood - 3 bedroom (May 1 – Aug 31)	1,876	1,960	84	4.5%	4.5%
Schreiberwood - 3 bedroom (Sept 1 – Apr 30)	1,959	2,047	88	4.5%	4.5%
Schreiberwood - 4 bedroom (May 1 – Aug 31)	1,944	2,031	87	4.5%	4.5%
Schreiberwood - 4 bedroom (Sept 1 – Apr 30)	2,031	2,122	91	4.5%	4.5%

**University of Toronto Mississauga
Schedule of 2022-23 Meal Plan Rates**

	2021-22 \$	2022-23 \$	Increase \$	Increase %	Prior Year Increase %
Meal Plans – First-years and Upper-years					
Plus +250 flex dollars (Plus +500 flex dollars)	4,450	4,850	400	9.0%	2.3%
Plus +100 flex dollars (Plus +250 flex dollars)	4,300	4,600	300	7.0%	2.4%
Full +250 flex dollars (Full +500 flex dollars)	4,050	4,375	325	8.0%	3.8%
Full +100 flex dollars (Full +25 flex dollars)	3,900	4,125	225	5.8%	4.0%
Meals Plans – Upper-years only					
Light +250 flex dollars (Light +500 flex dollars)	3,050	3,425	375	12.3%	1.7%
Light +100 flex dollars (Light +250 flex dollars)	2,900	3,175	275	9.5%	1.8%
Minimum +250 flex dollars (Minimum +500 flex dollars)	2,650	2,950	300	11.3%	3.9%
Minimum +100 flex dollars (Minimum +250 flex dollars)	2,500	2,700	200	8.0%	4.2%

Notes:

Meal Plans in 2022-23 include *higher* flex dollar values (i.e., flex dollar values included in brackets).

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 2022-23 Parking Rates**

	2021-22 \$	2022-23 \$	Increase \$	Increase %	Prior Year Increase %
CCT Garage (annual)	1,410.69	1,453.01	42.32	3.0%	3.0%
Lot P1 (annual)	1,171.59	1,206.74	35.15	3.0%	3.0%
Lot P5 (annual)	1,137.47	1,171.59	34.12	3.0%	3.0%
Lot P9 (annual)	903.30	930.40	27.10	3.0%	3.0%
Lots P4 and P8 (annual)	797.26	821.18	23.92	3.0%	3.0%
Student (sessional - Lots P4 and P8)	332.18	342.15	9.97	3.0%	3.0%
Resident (annual)	1,009.28	1,036.81	27.53	2.7%	3.0%
Afternoon (annual - after 3:30pm)	234.60	241.64	7.04	3.0%	3.0%
Commercial (annual)	1,335.69	1,375.76	40.07	3.0%	3.0%
 Pay & Display (daily maximum) (6:30am to 8:00am next day)					
CCT Garage	20.00	20.00	-	0%	0%
Lot P9	17.50	17.50	-	0%	0%
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%	0%
Lot P9	7.00	7.00	-	0%	0%
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%	0%
Lot P9	2.75	2.75	-	0%	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 budgets 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 describe 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 2020-21, the forecasts for 2021-22 and budgets for the five-year period 2022-23 to 2026-27. Only the proposed budget for 2022-23 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 28, 2021

November 2, 2021

Food Services Advisory Committee

October 21, 2021

Resident Student Dining Committee

November 10, 2021

Student Housing Advisory Committee

September 22, 2021

September 29, 2021

October 6, 2021

October 20, 2021



Student Housing & Residence Life Operating Plans 2021-22 to 2026-27

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 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:

- In 2020-21 the COVID-19 pandemic introduced significant operational and financial challenges to SHRL. Residence occupancy was approximately 1/3 of pre-pandemic levels and provincial health restrictions significantly impacted life in our residence halls.
- SHRL has adopted student-focused wrap-around services for those who are experiencing COVID-19 symptoms. Throughout the pandemic SHRL has provided isolation spaces in residence, food delivery and support services for residents as they navigate testing and various public health processes.
- SHRL was unable to offer in-person recruitment, residence tours and preview days. Alternatively, we offered 20+ online information sessions across many time zones. 67% of information session attendees applied for residence. Of the 500+ students that attended information sessions and recruitment events, 56% moved into residence. We enjoyed a healthy year-over-year increase in our residence applications for 2021-22.
- In September 2021, SHRL returned to in-person orientation respecting public health guidelines. We enjoyed approximately 70% attendance at residence orientation events.
- In the first six weeks of the Fall semester, we have delivered 220 in-person community gatherings and 48 Living Learning Community (LLC) workshops. Feedback on the residence student experience continues to be positive with 91% of residence survey respondents indicating that they felt supported by residence student staff in their first 6 weeks.
- SHRL won an International Student Experience Fund (ISEF) grant to launch a new Global Living Learning Community (LLC) in partnership with the International Education Centre (IEC) and the Department of Anthropology. This intentional community will allow residence to engage in global learning and participate in many unique activities including intercultural development, and a global speaker series.

2. 2021-22 Operating Forecast

The COVID-19 pandemic had a significant operational and financial impact to SHRL. SHRL continues to feel these impacts and operational challenges. For many residents, move-in was delayed due to travel restrictions and visa challenges. SHRL has so far maintained enhanced cleaning protocols and twice daily cleaning of high touch areas. The financial recovery has been remarkable. The 2020-21 fiscal year was the worst on record and devastated our financial position and reserves. In 2021-22, we experienced record applications and a return to (almost) pre-pandemic occupancy levels.

Forecasted Total Revenues are expected to be \$15,519,070. This is \$896,203 lower than our approved budget revenues of \$16,415,273. Residence fees and family rent payments make up 91.3% of our budgeted revenues.

Annual Building Depreciation and Interest Expenses (Mortgages) of \$4,194,674 continue to dominate the SHRL operating budget, making up 27.9% of Total Expenditures.

As outlined in our Student Housing Master Plan, our top priority is the maintenance and capital renewal of existing residence facilities. SHRL is projected to spend \$3,241,449 on Major Maintenance and reinvestment in our facilities this year.

Total spending on Salary, Wages & Benefits is forecasted to be \$2,490,823. SHRL delayed filling several positions during the pandemic to reduce expenses, the plan for later in 2021-22 is to return to full staffing levels.

Utilities are forecasted to be \$1,208,402 (8% of Total Expenditures) and our combined University and Campus Overhead Charges are forecasted to be \$658,441 (4.4% of Total Expenditures).

Prior to COVID-19, SHRL had several healthy reserves. The revenue shortfalls due to COVID-19 had depleted these reserves, and the short-term capital renewal plans had to be adjusted resulting in some projects being postponed or cancelled. At end of fiscal 2020-21, we had an Operating Reserve of \$666,116, a Capital Renewal Reserve of \$50,000, a Construction Reserve of \$4,199,119 and a Building Renovation Reserve of \$2,731,494. A transfer of \$4,859,059 in to Ancillary Operations as a construction loan helped alleviate losses in reserves.

The Operating Result before Transfers (Schedule 1) is forecasted to be \$472,707. This is \$152,382 more than budget. The Total Closing Fund Balance (Schedule 2) is forecasted to be \$14,474,267.

3. 2022-23 Proposed Budget

SHRL's proposed budget for 2022-23 shows an annual operating result (before transfers) of \$1.5M loss. This deficit is primarily the result of significant renovation and re-investment in existing residence facilities. Our cumulative cash flow and fund balance remain positive.

REVENUES

SHRL is planning on demand returning to pre-COVID-19 levels in 2022-23. We have planned for fewer students in double rooms for the comfort of our students during the pandemic. We will also have 140 beds offline in Leacock Lane due to renovations. The remaining rooms will be filled at 97.5% Occupancy. We were challenged to meet the requirements of the first-year guarantee in 2021-22, we anticipate this being a continued challenge until the new residence building opens in 2026-27.

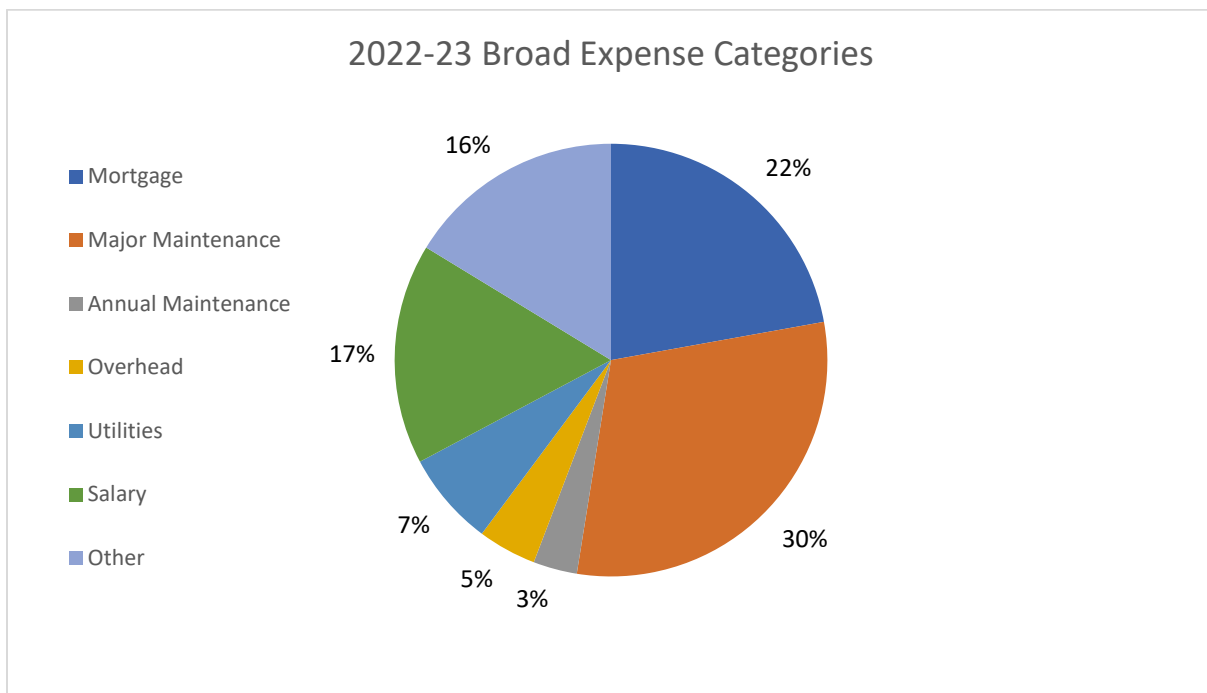
SHRL continues to build demand for a summer residence session through marketing, promotion and process improvements to the room application process. We anticipate students may need to stay in residence over the summer due to COVID-19 travel restrictions. We are being very conservative with Summer Conference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

Total Revenues are budgeted to be \$17,378,160.

EXPENSES

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.

- 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 and large-scale replacement of appliances and furniture.
 - 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.
- Building Depreciation & Loan Interest Expense (Mortgages) continues to be one of the largest expenses, accounting for 22% of Total Expenditures.



RESIDENCE RATES

The 2022-23 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.

In 2022-23, the Operating Results before Transfers (Schedule 1) is projected to be -\$1,542,628. The Total Closing Fund Balance (Schedule 2) for 2022-23 is projected to be \$12,931,639.

4. Long Range Plan: 2023-24 to 2026-27

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 2026 (pending approvals). The development of a new residence building is required to maintain UTM's commitment to the first-year residence 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 MaGrath Valley Renovation (Phase 1)
2024-25 MaGrath Valley Renovation (Phase 2)
2025-26 Schreiberwood (Phase 1)
2026-27 Schreiberwood (Phase 2)

Long-term renovation plans extend beyond 2026-27. Unrestricted Surplus amounts are allocated to the Building Renovation Reserve for upcoming renovations or the Construction Reserve for the new residence building. These reserves will be used to fund the renovations, capital renewal and new builds 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. Annually, more than 50% of our residence population are international students. International students accept residence at a much higher rate than their domestic peers. Any change to UTM's international enrollment targets and source countries could have a significant impact on our application numbers. Construction costs escalation continues to impact our renovation and build planning. Greater Toronto Area construction costs continue to be extremely high and we need to continue to refine cost escalation projections. We have planned contingencies into our capital renewal planning.

SHRL continues to enjoy strong increases in first-year applications for residence. In the coming years, before the new residence opens (summer 2026) it will be increasingly challenging to meet our residence guarantee for all first-year students.

APPENDIX A

University of Toronto Mississauga Student Housing Advisory Committee Membership

Student representatives are elected (or acclaimed) from various residence sub-populations. I wish to thank all representatives for the time invested in consultation with SHRL leadership team.

SHRL provided considerable opportunity for student consultation on the 2022-23 budget. The Student Housing Advisory Committee (SHAC) had four (4) budget focused meetings in September and October. **SHAC supported the 2022-23 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)

Asif Ibrahim, Saksham Bhawani, Shristi Aggarwal

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

Afreen Parpia, Do Thanh Phuong Tran

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

Barkat

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)

Ezekiel Kennedy-Bissah

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

Pinar Kahraman

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

Nasim Sedaghat-Ramirez

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**

	2020-21 Actual	2021-22 Budget	2021-22 Forecast	2021-22 Variance	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget	2026-27 Budget
Revenues									
Residence Fees - Fall/Winter Session	6,304,121	14,178,039	13,857,006	(321,033)	15,185,605	16,987,013	17,235,655	18,684,375	23,310,899
Residence Fees - Summer Session	447,457	855,083	309,819	(545,264)	708,866	737,221	766,710	797,378	829,273
Conference	3,947	-	-	-	-	-	-	-	-
Other Income	377,521	383,427	416,604	33,177	391,735	400,236	408,933	417,832	426,189
Investment Income	5,660	78,719	15,636	(63,083)	18,000	18,360	18,727	19,102	19,484
Value of Don's & Dean's Rooms	833,864	920,005	920,005	-	1,073,954	1,271,470	1,246,141	1,283,512	1,541,798
Total Revenues	7,972,570	16,415,273	15,519,070	(896,203)	17,378,160	19,414,300	19,676,166	21,202,199	26,127,643
Direct Expenditures									
Salary, Wages & Benefits	2,341,062	3,010,648	2,490,823	519,825	3,119,587	3,244,370	3,374,145	3,853,351	4,365,495
Supplies	95,078	101,595	99,779	1,816	102,273	104,319	106,405	108,533	130,631
Utilities	929,238	1,558,270	1,208,402	349,868	1,332,121	1,358,763	1,385,939	1,413,657	1,701,478
Garbage	6,891	29,574	32,428	(2,854)	33,239	33,903	34,582	35,273	42,455
Snow Removal, Grounds Maintenance, Engineering	371,897	379,451	368,204	11,247	386,409	397,322	406,571	406,571	489,349
Insurance	82,452	84,200	84,200	-	90,338	92,145	93,988	95,867	115,386
Communication	30,760	233,932	233,932	-	254,610	235,302	245,215	245,215	295,141
Annual Maintenance	387,946	712,278	635,500	76,778	620,638	633,050	645,711	658,625	792,722
Major Maintenance	37,832	3,325,304	3,241,449	83,855	5,744,466	5,299,334	4,462,702	4,426,513	3,226,490
Furniture & Equipment Depreciation	223,803	201,618	213,206	(11,588)	308,540	384,735	419,776	473,329	634,361
Building Depreciation	2,393,694	2,555,780	2,555,780	-	2,728,894	2,913,790	2,612,545	2,450,090	4,832,652
Non-Depreciable Assets	35,591	123,522	123,518	4	125,989	128,508	131,079	133,700	160,921
Loan Principal & Interest Expenses	1,800,981	1,638,894	1,638,894	-	1,465,780	1,280,885	1,092,806	936,776	1,579,666
Value of Don's & Dean's Rooms	833,864	920,005	920,005	-	1,073,954	1,271,470	1,246,141	1,283,512	1,541,798
Cleaning Costs	124,036	134,240	117,659	16,581	146,645	149,578	152,570	155,621	187,306
Residence Life Expenses	41,474	149,077	124,077	25,000	152,809	155,865	158,982	162,162	195,178
Advertising/Marketing/Other Commission	24,245	26,546	26,546	-	27,209	27,753	28,308	28,875	34,754
Credit Card Fees	35,630	54,297	76,244	(21,947)	78,150	79,713	81,308	82,934	99,819
Miscellaneous	147,363	197,276	197,276	-	302,296	308,342	314,509	320,799	386,114
Total Direct Expenditures	9,943,837	15,436,507	14,387,922	1,048,585	18,093,947	18,099,147	16,993,282	17,271,403	20,811,716
Indirect Expenditures									
Central Overhead Charges	57,062	65,192	65,192	-	57,130	58,273	59,438	60,627	72,970
Department/College Overhead Charges	528,356	554,585	554,585	-	576,694	588,228	599,992	611,992	736,594
Facilities & Services Overhead Charges	44,633	38,664	38,664	-	193,017	193,877	194,755	195,650	231,944
Total Indirect Expenditures	630,051	658,441	658,441	-	826,841	840,378	854,185	868,269	1,041,508
Total Expenditures	10,573,888	16,094,948	15,046,363	1,048,585	18,920,788	18,939,525	17,847,467	18,139,672	21,853,224
Operating Results Before Transfers	(2,601,318)	320,325	472,707	152,382	(1,542,628)	474,775	1,828,699	3,062,527	4,274,419

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

	2020-21 Actual	2021-22 Budget	2021-22 Forecast	2021-22 Variance	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget	2026-27 Budget
Total Fund Balance - Opening	11,602,878	6,457,547	13,860,619	7,403,072	14,474,267	12,931,639	13,406,414	30,343,513	45,471,080
Net Operating Results before Transfers	(2,601,318)	320,325	472,707	152,382	(1,542,628)	474,775	1,828,699	3,062,527	4,274,419
Transfers in to Ancillary Operations ⁽¹⁾	4,859,059	5,000,000	140,941	(4,859,059)	-	-	15,108,400	12,065,040	8,043,360
Transfers (out of) Ancillary Operations ⁽²⁾	-	-	-	-	-	-	-	-	-
Net Operating Results after Transfers	2,257,741	5,320,325	613,648	(4,706,677)	(1,542,628)	474,775	16,937,099	15,127,567	12,317,779
Total Fund Balance - Closing	13,860,619	11,777,872	14,474,267	2,696,395	12,931,639	13,406,414	30,343,513	45,471,080	57,788,859
<i>Closing Fund Balance is made up of:</i>									
Investment in Capital Assets	6,213,890	10,065,926	8,000,684	(2,065,242)	11,489,461	12,323,726	27,525,850	40,146,061	54,989,168
Internally Restricted									
Capital Renewal Reserve	50,000	50,000	50,000	-	50,000	50,000	50,000	50,000	50,000
Operating Reserve	666,116	825,644	735,690	(89,954)	831,831	830,864	832,951	871,390	1,066,428
Construction Reserve	4,199,119	450,000	2,790,060	2,340,060	-	-	-	4,000,000	-
Building Renovation Reserve	2,731,494	-	159,940	159,940	-	-	-	-	-
Unrestricted Surplus/(Deficit)	-	386,302	2,737,893	2,351,591	560,347	201,824	1,934,712	403,629	1,683,263

Notes:

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

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

	2020-21 Actual	2021-22 Budget	2021-22 Forecast	2021-22 Variance	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget	2026-27 Budget
Major Maintenance	37,832	3,325,304	3,241,449	83,855	5,744,466	5,299,334	4,462,702	4,426,513	3,226,490
Total Major Maintenance	37,832	3,325,304	3,241,449	83,855	5,744,466	5,299,334	4,462,702	4,426,513	3,226,490

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

	2020-21 Actual	2021-22 Budget	2021-22 Forecast	2021-22 Variance	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget	2026-27 Budget
Deferred Maintenance	-	-	-	-	-	-	-	-	-
Total Deferred Maintenance	-	-	-	-	-	-	-	-	-

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

	2020-21 Actual	2021-22 Budget	2021-22 Forecast	2021-22 Variance	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget	2026-27 Budget
Building (New Residence)	659,940	5,000,000	2,000,000	3,000,000	2,340,060	-	15,108,400	12,065,040	14,220,118
Enhancements	-	-	-	-	-	-	-	-	2,789,699
Furniture & Equipment	417,357	-	-	-	1,457,257	1,219,000	513,500	1,028,500	866,667
Total Capital Expenditure	1,077,297	5,000,000	2,000,000	3,000,000	3,797,317	1,219,000	15,621,900	13,093,540	17,876,484

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

	Period	2021-22	\$ Change	% Change	2022-23	2023-24	2024-25	2025-26	2026-27
Undergraduate Student Housing									
Roy Ivor Hall	Sept 1 - Apr 30	11,926	4.75%	566	12,492	13,085	13,478	13,882	14,298
Erindale Hall – Single	Sept 1 - Apr 30	11,926	4.75%	566	12,492	13,085	13,478	13,882	14,298
Erindale Hall - Double	Sept 1 - Apr 30	7,752	4.75%	368	8,120	8,505	8,761	9,023	9,294
Oscar Peterson Hall	Sept 1 - Apr 30	11,350	4.75%	539	11,889	12,454	12,828	13,213	13,609
MaGrath Valley - Single	Sept 1 - Apr 30	11,680	4.75%	555	12,235	12,816	13,608	14,016	14,436
MaGrath Valley - Double	Sept 1 - Apr 30	7,592	4.76%	361	7,953	8,330	8,845	9,110	9,383
Schreiberwood	Sept 1 - Apr 30	10,726	4.50%	483	11,209	11,713	12,064	12,426	12,799
McLuhan Court	Sept 1 - Apr 30	10,726	17.59%	1,887	12,613	13,212	13,608	14,016	14,436
Putnam Place	Sept 1 - Apr 30	12,041	4.75%	572	12,613	13,212	13,608	14,016	14,436
Leacock Lane	Sept 1 - Apr 30	10,726	4.50%	483	11,209	13,212	13,608	14,016	14,436
New Residence Building - Single				-				14,016	14,436
New Residence Building - Double				-				9,110	9,383
Graduate Student Housing									
Schreiberwood - Small Bachelor	Sept 1 - Apr 30	9,395	4.50%	423	9,818	10,260	10,568	10,885	11,212
Schreiberwood - Large Bachelor	Sept 1 - Apr 30	9,874	4.50%	444	10,318	10,782	11,105	11,438	11,781
Medical Student Housing									
Schreiberwood - Small Bachelor	Sept 1 - May 31	10,569	4.50%	476	11,045	11,542	11,888	12,245	12,612
Schreiberwood - Large Bachelor	Sept 1 - May 31	11,108	4.50%	500	11,608	12,130	12,494	12,869	13,255
Family Student Housing - Monthly Rate									
Schreiberwood - 3 bedroom	May 1 - Aug 31	1,876	4.48%	84	1,960	2,048	2,109	2,172	2,237
Schreiberwood - 3 bedroom	Sept 1 - Apr 30	1,959	4.49%	88	2,047	2,139	2,203	2,269	2,337
Schreiberwood - 4 bedroom	May 1 - Aug 31	1,944	4.48%	87	2,031	2,122	2,186	2,252	2,320
Schreiberwood - 4 bedroom	Sept 1 - Apr 30	2,031	4.48%	91	2,122	2,217	2,284	2,353	2,424

Hospitality Services Operating Plans 2021-22 to 2026-27

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
 - Rotisserie, Thai Express, Harvey's, International Kitchen, Fusion 8, Pizza Pizza, Mongolian Grill, Revv Up, Chop n Top, Global Market, and Commissary items
- The Tim Hortons Café Express and Commissary items 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 Oscar Café 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 Commissary items at the Kaneff/Innovation Complex
- The Fair Trade Coffee and Tea and Commissary items 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
 - Meals at the Blind Duck in the Student Center, operated by the University of Toronto Mississauga Student's Union

Food Service operations in 2021-22 continue to be limited due to restrictions from the provincial government and from public health. The Davis Building Food Court remained open for the summer to support the Vaccination Clinic, and continued operations along with the opening of Colman Commons and the HMALC Starbucks for the start of the school year. The ancillary began a new food service contract with Aramark in June 2021.

Due to significant restrictions on large gatherings and indoor events, there is also a lack of Conference business and significantly limited Catering business.

2. 2021-22 Operating Forecast

Forecasted Total Food Services Revenues are expected to be less than budget by \$6,928,058 due to:

- The significant limits on indoor gatherings, drastically reducing conference and catering revenue;
- An estimated 60% reduction of on-campus population from pre-pandemic levels expected for the entire academic year (90% reduction in summer, 75% reduction in fall, and 50% reduction in winter);
- A reduction of the residence population by 25% from pre-pandemic levels due to public health measures and travel restrictions; and
- A reduction of food services offered to comply with public health guidelines.

As a direct result of lower-than-expected Total Food Services Revenue, Total Cost of Sales and Service is forecasted to be \$5,997,658 lower than budget. Additionally,

Hospitality Services is receiving a fixed fee from Aramark instead of a commission on sales for 2021-22. This is due to the uncertainty of the pandemic on food service operations for this year. After 2021-22, Hospitality Services will earn a commission on revenue for the remainder of the food service contract with Aramark.

Due to restrictions placed on events, the ancillary was only able to utilize the idle space on campus to increase film shoot business, resulting in a forecasted Total Other Revenue of \$133,991 lower than budget.

Total Direct Expenditures are forecasted to be \$549,749 lower than budget. This is attributed to savings in staffing costs by delaying the hiring for full-time vacancies. 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 (plant-based food service outlet) and the renovation to Spigel kitchen were deferred.

The Operating Result before Transfers is forecasted to be a loss of \$1,132,575 and the Total Closing Fund Balance is forecasted to be \$3,939,166.

3. 2022-23 Proposed Budget

The Hospitality Services ancillary is committed to providing meal plans that provide value and are competitively priced with peer institutions. In 2021-22, Hospitality Service reassessed the tax-exempt eligibility of all of its products and made adjustments accordingly to align with the revised CRA meal plan guidelines. As a result, more products, such as beverages from Tim Hortons and Starbucks, that were previously set up as tax exempt are now classified as taxable. Consequently, demand for Flex Dollars increased due to the popularity of these now-taxable products. This resulted in the decision to increase Flex Dollars associated with each meal plan.

The proposed Basic (tax-exempt) amounts for each meal plan will increase by about 3% primarily due to a forecasted increase in food costs and labour rates for 2022-23 of close to 3%. The Flex (taxable) amounts from which students will be able to choose to accompany their Basic funds will increase from \$100 or \$250 to \$250 or \$500. As a result of the aforementioned increases in Basic and Flex amounts, the proposed meal plan rates represent an average 8.6% increase from 2021-22. However, this increase is necessary to maintain alignment with CRA guidelines while providing students more opportunity to spend on the Flex items that are in high demand.

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 3% 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, Hospitality Services is forecasting a residence capacity of about 95% of pre-pandemic levels due to the possibility of travel restrictions and vaccination statuses still having a minor impact on Residence's ability to return to pre-pandemic capacity levels and due to the impact of Leacock Lane renovations.

Hospitality Services is assuming Cafeteria Revenues will return to 90% of pre-pandemic levels in the academic year. Additional positive impacts to Cafeteria Revenues include:

- The aforementioned price increases
- Opening of a new food service concept in the Davis Building

Total Cost of Sales and Service is expected to increase from the 2021-22 forecasted amount as a result of the increase in Total Revenues.

Conference Revenue is expected to return to 75% of pre-pandemic levels as there are expected to be some lingering restrictions, particularly with international travel, that will impact the number and size of conferences at UTM. Catering Revenue is also expected to return to about 75% of pre-pandemic levels as events start returning to campus. Film shoots will continue in a limited fashion as unused space on campus will be restricted due to the return of more people, classes, and events on campus.

Total Direct Expenditures are budgeted to increase by 25.1% compared to 2021-22 forecasted amounts primarily due to the return to pre-pandemic utilities usage, the costs associated with more staff working on campus, the hiring of positions that were previously left vacant, 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 \$99,460 and the Total Closing Fund Balance is projected to be \$3,839,706.

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: 2023-24 to 2026-27

Although revenue is expected to approach pre-pandemic forecast levels, operating results will be tempered by the impacts of depreciation from the Davis Building food service outlet construction project and Spigel kitchen expansion. However, Hospitality Services is expected to operate close to breakeven and, due to its healthy reserves, will be able to fund its capital investments while still meeting its SARG obligations.

- For 2023-24 – Net Revenue is budgeted to increase 13.2% as Hospitality Services anticipates the on-campus activity to approach 95% of pre-pandemic levels with meal plan revenue increase offset by the impact of reduce residence rooms available due to Phase 1 of the McGrath Valley renovation. 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 \$68,833.
- For 2024-25 – Net Revenue is budgeted to increase by 6.0% as Hospitality Services anticipates the on-campus activity to approach 100% of pre-pandemic levels. Meal plan revenue increase will be offset by the impact of reduce residence rooms available due to Phase 2 of the McGrath Valley renovation. This increase in revenue is expected to be offset by relatively high depreciation expenses related to the Food Court and other Davis Building renovation projects. The Operating result Before Transfers is expected to be \$250,685.
- For 2025-26 – Net Revenue is budgeted to increase by 3.4%. The Operating Result before Transfers is expected to be \$349,124.
- For 2026-27 – Net Revenue is budgeted to increase by 1.9% as a result of the opening of the ACT Building food service outlet and of CPI but offset by the new meal plan structure. Larger meal plans will be required for dormitory-style rooms only, with students living in suite- and townhouse. Although the opening of the new Residence will result in more students with meal plans, the planned change in meal plan structure will likely result in a distribution of meal plans that skews more heavily to the smaller value plans. This change will temper any budgeted meal plan revenue increases but will better align meal plans with the needs of the students in each residence. The Operating Result before Transfers is expected to be \$177,937.

Prior to the pandemic, Hospitality Services was beginning to emerge out of a period of tremendous growth. As Hospitality Services rebounds from the many setbacks during the pandemic years, the ancillary's plans will turn to refreshing and reinventing its outlets to meet the changing needs of the UTM community. Investments will continue to focus on expanding its sustainability initiatives and working collaboratively with other campus partners to implement new sustainability initiatives to benefit the entire UTM community. Although future increases in food service space will be minimal (Hospitality Services is planning to add 2 small outlets over the next 5 years), the ancillary will invest in expansion of its services primarily through integrations with its commerce

management system provider and other service innovations that will allow the Hospitality Services to build its business in an efficient manner.

Despite the significant negative financial impacts from 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 Spigel Commissary Kitchen expansion and the Davis Building renovation project. 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

	2020-21 Actual	2021-22 Budget	2021-22 Forecast	2021-22 Variance	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget	2026-27 Budget
Revenues									
Meal Plans	1,196,990	4,524,107	3,154,160	(1,369,947)	5,528,637	6,250,983	6,744,597	6,962,598	6,895,761
Cafeteria	50,273	5,795,890	784,758	(5,011,132)	5,739,757	6,392,968	6,746,221	6,979,986	7,211,609
Catering	9,152	334,668	8,480	(326,188)	519,572	665,052	618,499	637,054	719,871
Vending	55,702	394,843	174,052	(220,791)	281,826	349,961	366,420	392,613	435,220
Total Food Services & Vending Revenues	1,312,117	11,049,508	4,121,450	(6,928,058)	12,069,792	13,658,964	14,475,737	14,972,251	15,262,461
Cost of Sales & Services									
Meal Plans & Cafeteria	1,065,993	8,287,595	2,728,772	5,558,823	8,803,058	9,784,307	10,459,241	10,832,945	10,914,553
Catering	7,822	284,468	8,480	275,988	418,256	535,367	497,892	512,828	579,496
Vending	51,369	288,236	125,389	162,847	205,733	255,472	274,815	294,460	326,415
Total Cost of Sales & Service	1,125,184	8,860,299	2,862,641	5,997,658	9,427,047	10,575,146	11,231,948	11,640,233	11,820,464
Contribution Margin	186,933	2,189,209	1,258,809	(930,400)	2,642,745	3,083,818	3,243,789	3,332,018	3,441,997
Other Revenues									
Conference Accommodation	-	30,571	-	(30,571)	233,868	286,254	324,422	330,910	337,528
Facility/Space Rental	439,196	407,835	568,749	160,914	501,961	512,000	522,240	532,685	585,954
Investment Income	6,266	77,619	6,690	(70,929)	7,165	5,559	6,053	6,548	7,165
Other	236,808	223,405	30,000	(193,405)	187,996	230,107	260,788	295,559	334,967
Total Other Revenues	682,270	739,430	605,439	(133,991)	930,990	1,033,920	1,113,503	1,165,702	1,265,614
Net Revenues	869,203	2,928,639	1,864,248	(1,064,391)	3,573,735	4,117,738	4,357,292	4,497,720	4,707,611
Direct Expenditures									
Salary, Wages & Benefits	1,056,847	1,191,621	1,110,599	81,022	1,347,017	1,400,898	1,456,934	1,515,211	1,575,819
Supplies	100,588	105,135	128,440	(23,305)	205,496	209,606	243,798	248,674	253,648
Insurance	8,152	8,325	8,325	-	8,931	9,110	9,292	9,478	9,667
Communications	12,606	16,015	16,282	(267)	18,530	19,901	20,299	20,705	21,119
Conference Accommodation	-	13,860	-	13,860	138,094	169,027	191,564	195,396	199,303
Furniture & Equipment Repair	46,096	68,431	48,046	20,385	49,247	50,232	51,237	52,262	53,307
Annual Maintenance	40,248	53,201	40,339	12,862	41,347	42,174	43,018	43,878	44,756
Major Maintenance	-	25,500	4,240	21,260	4,346	29,433	30,021	30,622	31,234
Furniture & Equipment Depreciation	565,240	654,834	563,988	90,846	661,631	833,857	686,453	671,900	789,163
Non-Depreciable Assets	79,840	80,134	61,081	19,053	63,608	63,860	65,138	66,440	67,769
Occupancy & Space	246,258	373,725	332,020	41,705	342,936	349,795	356,791	363,926	378,629
Garbage & Recycling	41,310	58,018	46,457	11,561	57,551	58,702	59,876	61,074	63,541
Cleaning	9,034	7,600	15,284	(7,684)	23,499	23,969	24,449	24,938	25,945
Smallwares	(663)	28,041	50,000	(21,959)	48,602	54,174	29,758	30,353	45,960
Licenses/Permits	46,668	115,360	500	114,860	513	523	533	544	555
Advertising/Marketing	7,096	81,822	20,000	61,822	61,487	75,259	85,294	97,000	113,740
Miscellaneous	102,100	299,014	185,286	113,728	220,580	269,989	355,988	312,108	393,350
Total Direct Expenditures	2,361,420	3,180,636	2,630,887	549,749	3,292,415	3,660,509	3,710,443	3,744,509	4,117,505
Indirect Expenditures									
Central Overhead Charges	19,545	20,682	20,682	-	19,917	20,315	20,722	21,136	21,559
Department/College Overhead Charges	278,595	291,979	291,979	-	303,828	309,905	316,103	322,425	328,873
Facilities & Services Overhead Charges	45,384	53,275	53,275	-	57,035	58,176	59,339	60,526	61,737
Total Indirect Expenditures	343,524	365,936	365,936	-	380,780	388,396	396,164	404,087	412,169
Total Expenditures	2,704,944	3,546,572	2,996,823	549,749	3,673,195	4,048,905	4,106,607	4,148,596	4,529,674
Operating Results Before Transfers	(1,835,741)	(617,933)	(1,132,575)	(514,642)	(99,460)	68,833	250,685	349,124	177,937

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

	2020-21 Actual	2021-22 Budget	2021-22 Forecast	2021-22 Variance	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget	2026-27 Budget
Total Fund Balance - Opening	6,907,482	4,743,468	5,071,741	328,273	3,939,166	3,839,706	3,908,539	4,159,224	4,508,348
Operating Results before Transfers	(1,835,741)	(617,933)	(1,132,575)	(514,642)	(99,460)	68,833	250,685	349,124	177,937
Transfers in (out) of Ancillary Operations	-	-	-	-	-	-	-	-	-
Net Operating Results after Transfers	(1,835,741)	(617,933)	(1,132,575)	(514,642)	(99,460)	68,833	250,685	349,124	177,937
Total Fund Balance - Closing	5,071,741	4,125,535	3,939,166	(186,369)	3,839,706	3,908,539	4,159,224	4,508,348	4,686,285
<i>Closing Fund Balance is made up of:</i>									
Investment in Capital Assets Internally Restricted	2,733,909	2,888,271	2,455,266	(433,005)	2,546,635	3,562,778	3,427,825	3,308,970	3,324,443
Capital Renewal Reserve	10,000	10,000	10,000	-	10,000	10,000	10,000	10,000	10,000
Operating Reserve	197,352	266,447	227,913	(38,534)	285,402	302,935	323,074	328,349	349,345
Construction Reserve	2,130,480	960,817	1,245,987	285,170	997,669	32,826	398,325	861,029	1,002,497
Unrestricted Surplus/(Deficit)	-	-	-	-	-	-	-	-	-

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

	2020-21 Actual	2021-22 Budget	2021-22 Forecast	2021-22 Variance	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget	2026-27 Budget
Capital Renewal - Major Maintenance	-	25,500	4,240	21,260	4,346	29,433	30,021	30,622	81,234
Total Major Maintenance	-	25,500	4,240	21,260	4,346	29,433	30,021	30,622	81,234

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

	2020-21 Actual	2021-22 Budget	2021-22 Forecast	2021-22 Variance	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget	2026-27 Budget
Deferred Maintenance	-	-	-	-	-	-	-	-	-
Total Deferred Maintenance	-	-	-	-	-	-	-	-	-

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

	2020-21 Actual	2021-22 Budget	2021-22 Forecast	2021-22 Variance	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget	2026-27 Budget
Equipment	655,265	731,000	285,345	445,655	628,000	1,850,000	551,500	553,045	804,636
Construction	-	225,000	-	225,000	125,000	-	-	-	-
Total Capital Expenditure	655,265	956,000	285,345	670,655	753,000	1,850,000	551,500	553,045	804,636

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

	2021-22	\$ increase	% increase	2022-23	2023-24	2024-25	2025-26	2026-27
Meal Plans – First-years and Upper-years								
Plus +250 flex dollars (Plus +500 flex dollars)	4,450	400	9.0%	4,850	5,000	5,150	5,275	5,425
Plus +100 flex dollars (Plus +250 flex dollars)	4,300	300	7.0%	4,600	4,750	4,900	5,025	5,175
Full +250 flex dollars (Full +500 flex dollars)	4,050	325	8.0%	4,375	4,525	4,625	4,750	4,875
Full +100 flex dollars (Full +25 flex dollars)	3,900	225	5.8%	4,125	4,275	4,375	4,500	4,625
Meals Plans – Upper-years only								
Light +250 flex dollars (Light +500 flex dollars)	3,050	375	12.3%	3,425	3,525	3,625	3,700	3,800
Light +100 flex dollars (Light +250 flex dollars)	2,900	275	9.5%	3,175	3,275	3,375	3,450	3,550
Minimum +250 flex dollars (Minimum +500 flex dollars)	2,650	300	11.3%	2,950	3,025	3,100	3,175	3,250
Minimum +100 flex dollars (Minimum +250 flex dollars)	2,500	200	8.0%	2,700	2,775	2,850	2,925	3,000

Notes:

Meal Plans in 2022-23 and beyond include *higher* flex dollar values (i.e., flex dollar values included in brackets).

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).

Parking Services Operating Plans 2021-22 to 2026-27

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) 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) supports alternative transportation modes to ease congestion and this is demonstrated through the implementation of carpooling initiatives, a car-sharing program, various commuter promotions, and the UTM Shuttle Bus service.

Though there are many campus initiatives to encourage the use of buses and bikes to get to campus such as the student UPass, the Brampton Transit Express Bus and various commuter campaigns, the use of cars and the related need for a substantial number of parking spaces continues.

The ancillary actively monitors supply and demand which is based on current information such as campus population projections, specific hourly course enrolment trends

throughout the week and net usable parking spaces at peak times. The ancillary also forecasts short and long term parking needs based on campus growth projections, institutional priorities and the overall goals of the Campus Master Plan.

- As of September 2021, UTM had 2,874 gross parking spaces on campus consisting of various surface lots, two above-ground parking decks and an underground parking garage. Approximately 146 surface parking spaces in Lot P9 and Lot P8 are temporarily unavailable in order to accommodate staging during the building of the New Science Building (commenced in Summer 2020).
- To contain the spread of COVID-19, there was a significant shift towards remote work arrangements and hybrid course delivery (mix of online and in-person). As a direct result, the traffic volumes and parking lot usage dramatically decreased compared to prior-year trends. Parking permit and pay and display sales significantly declined in 2020-21. As of October 2021, student permit sales were at about 17% of normal levels while staff and faculty permit sales were at about 65%. The slight uptick in sales in 2021-22 is consistent with the uptick in on-campus activity.
- It is anticipated that as classes start to resume to an in-person format, more student sales for permits and pay & display will naturally follow. Past demand trends (i.e., parking lot usage and permit waiting lists) strongly suggest that demand for parking is high. In addition, many staff and students reside outside of public transit convenience and driving to campus tends to be a preferred option. There may also be a shift in behaviour as a result of the pandemic where driving to campus may become a preferred option over taking public transit. Once sales return to normal levels, and the ancillary returns to an operating surplus position, it will be able to advance other major parking projects.
- Parking Services' long-term planning includes the building of additional parking structures on campus. It is important to note that potential building sites on campus are limited and often constrained by environmental factors, size and scope. It is natural for existing surface parking lots to serve as ideal potential building sites. With this in mind, a mix of new above-ground and underground parking structures on campus are being explored to offset the anticipated loss of surface parking over the coming years.
- In prior reports, it was anticipated that the proposed Arts, Culture and Technology (ACT) building would include an estimated 148 new underground parking spaces and 65 surface parking spaces. Due to environmental, structural and cost factors beyond our control, underground parking at this location is no longer feasible. Efforts to expand surrounding surface parking continue to be explored, however the net increase in parking spaces will likely be small.
- Possible options to add parking spaces on campus include building an underground parking structure in Lot P9, with the capacity to support a future building above, building a parking facility under an athletic field and building a new parking deck over the existing parking Lot P8. Although the monetary assumptions for these options have not been reflected in the budget, the contribution to a construction reserve starting 2025-26 with Unrestricted Surplus result are included. Efforts are being made to pursue these various opportunities as part of prudent long-term planning with a strategic approach to minimize the need for large fee increases.

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 over 26,000kg of greenhouse gas emissions with this initiative. This is equivalent to planting 677 trees and letting them grow for 10 years¹.
- 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. Although carpooling has not been an encouraged mode of transportation during the pandemic, it is an option anticipated to increase in appeal as conditions improve.
- The ancillary uses solar-powered parking equipment in all surface parking areas. The use of this equipment cuts power consumption and allows part of the parking operation to run "off the grid".
- The ancillary continues to offer space to Zipcar, a short-term car sharing service that provides service to the UTM community. Zipcar has struggled with inventory challenges during the pandemic; they anticipate a return to normal vehicle offerings on campus in the new fiscal year.
- Parking Services has worked with SustainMobility, an association that strives to reduce traffic congestion and encourage the use of other sustainable modes of transportation, for the past several years. Parking Services has been awarded the "Gold" and "Platinum" Workplace Designations for campus commuter programs and service offerings. Unfortunately, SustainMobility permanently closed its operations effective June 1, 2021. Alternative partnerships will be explored to support sustainable transportation goals on campus.

2. 2021-22 Operating Forecast

In response to the pandemic, Parking Services has converted most of its services online. 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.

Despite the return of some on-campus activities in Fall 2021, Parking Services continues to experience significantly reduced permit and pay and display revenues. An increase in student sales is anticipated during winter term as UTM aims to have the majority of classes delivered in-person starting in January 2022.

Permit revenues are expected to be less than budget by \$457,200. There is a reduction in parking demand as a result of ongoing remote working arrangements and virtual and hybrid course delivery for Fall. Although the campus plans to have classes return in-person starting January 2022, Parking Services does not anticipate a substantial increase in sales due to the limited fiscal months remaining and the lack of appeal for an annual permit purchase compared to Fall.

Pay and Display (P&D) machine revenues are expected to be less than budget by \$108,221. This is due to a reduction in parking demand given the limited on-campus activity. Nonetheless, sales are stronger than in 2020-21 due to an increase in occasional

¹ Source: ChargePoint

use parking users and contractors working on the Science Building.

Cash Fee revenue is also expected to be less than budget by \$30,126 as the need for departments to host visitors or guests has remained less than normal. The sale of passes to patients of the Trillium Cardiac Rehabilitation Program hosted by the RAWC has also stopped, contributing to reduced revenues.

Salaries, Wages & Benefits expense is forecasted to be less than budget by \$21,844. This difference is primarily due to savings from staff redeployments.

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

Annual Maintenance is forecasted to be \$16,059 under budget. This slight difference is primarily due to the need for less than budgeted electrical repairs, which resulted in cost savings. Most maintenance expenses have continued apace despite the pandemic.

Planned furniture and equipment purchases are anticipated in 2021-22 to help improve workstation layout. These purchases were deferred in 2020-21 as a cost containment measure. The new furniture configuration will allow for better ergonomics and physical distancing measures within the office.

Payment Processing Fees are forecasted to be \$46,518 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 \$1,447,013, a difference of \$389,995 from the budgeted loss amount of \$1,057,018. The Total Closing Fund Balance is forecasted to be \$2,418,640, including an Unrestricted Deficit balance of \$5,794,504.

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

3. 2022-23 Proposed Budget

Operating under the premise that the university plans to return to in-person classes starting January 2022, it is anticipated that the ancillary will see a return to the normal, pre-pandemic level of sales. Nonetheless, the assumptions included in the 2022-23 budgets should be viewed as plans and do not necessarily reflect set amounts. Actual results may vary.

Different permit offerings have different rates reflective of their value based on location, supply and amenities. The established permit prices echo the different levels of convenience and cost associated with parking such as: surface lots vs. underground garages, distance to buildings, maintenance, lot capacity, etc.

An increase of 3% for all permit rates is planned. The need for additional price increases will continue to be reviewed as market trends and comparator rates are further assessed.

The CCT Underground Garage permit price will increase from the current annual price of \$1,410.69 to \$1,453.01/annum; the Lot P1 permit price will increase from \$1,171.59 to \$1,206.74/annum; the Lot P5 permit price will increase from \$1,137.47 to

\$1,171.59/annum; the Lot P9 permit price will increase from \$903.30 to \$930.40/annum;. Lastly, the price for the Lot P4/P8 permits will increase from \$797.26 to \$821.18/annum.

The Resident permit price traditionally reflected its' Lot P5 counterpart, less HST (resident students are not assessed HST). Due to compounded rounding over the years, the resident rate became slightly inflated by about 0.3%. To adjust, the 2022-23 Resident permit rate will increase 2.7% from the current annual price of \$1,009.28 to \$1,036.81/annum, returning it in line with the traditional rate calculation.

Most expenses are expected to increase with inflation, contractual obligations, and some deferred costs will be realized. Overall, expenses are expected to be more in line with traditional operational spending, maintenance schedules and their associated costs.

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

Parking Services is pursuing virtual permit software to integrate with current technologies and allow for the addition of License Plate Cognition (LPR), with the hope to launch as early as 2022-23, subject to availability. This will allow for more mobile and streamlined enforcement while incorporating virtual permits and P&D passes, eliminating the need for physical permits, and improving the customer service experience.

The Operating Result before Transfers is expected to be a surplus of \$1,333,808 in 2022-23. The Total Closing Fund Balance is projected to be \$3,752,448, including an Unrestricted Deficit balance of \$4,404,487.

4. Categories of Users and Accessibility

Parking is available to 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 2021-22 continues to exceed Provincial requirements.

5. Long Range Plan: 2023-24 to 2026-27

The rates and budgets for the long-range plan for 2023-24 to 2026-27 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 2021-22 through 2024-25. To contain costs, non-essential spending will be put on hold where feasible. 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 2025-26.

Historically, the ancillary has experienced parking demand exceeding supply; sold out

permit sale quantities and substantial permit waitlists. It is anticipated in the long range plan that permit sales will return to pre-pandemic revenue levels.

Part of Parking Services' long-term planning includes the addition of new parking structures.

Any future construction, if planned on existing parking lots, will impact parking inventory during construction and may translate to reduced revenues and increased challenges to address demand issues. A new residence building is planned to be constructed on Lot P6, with construction expected to begin in 2024-25.

Looking ahead, several existing parking lots have been identified as potential building sites in the draft Campus Master Plan. The building of additional parking structures will be necessary to offset the potential loss of current parking as the campus continues to grow and expand. Even with impactful alternative transportation measures, it is anticipated that parking demand will eventually outweigh supply.

Every effort is made to plan future parking expansion projects during off-peak and summer timelines to alleviate negative impact on parking inventory. Ideally, additional parking supply would be built prior to planned construction to offset a reduction of current parking supply.

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

	2020-21 Actual	2021-22 Budget	2021-22 Forecast	2021-22 Variance	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget	2026-27 Budget
Revenues									
Parking Permits	591,722	1,313,255	856,055	(457,200)	3,027,587	3,118,415	3,211,967	3,308,326	3,407,576
Pay & Display Meters	177,523	757,171	648,950	(108,221)	1,448,380	1,462,864	1,477,493	1,492,268	1,507,191
Cash Fees (Visitor Passes)	11,602	40,408	10,282	(30,126)	50,981	52,001	53,041	54,102	55,184
Investment Income	-	-	-	-	-	-	-	13,001	33,635
Total Revenues	780,847	2,110,834	1,515,287	(595,547)	4,526,948	4,633,280	4,742,501	4,867,697	5,003,586
Direct Expenditures									
Salaries, Wages & Benefits	335,028	394,617	372,773	21,844	472,765	491,676	511,343	531,797	553,069
Security Services	212,396	226,971	226,971	-	234,499	239,189	243,973	248,852	253,829
Supplies	21,391	5,780	6,599	(819)	5,760	5,875	5,993	6,113	6,235
Furniture & Equipment Repair	216,980	228,625	228,980	(355)	230,057	234,658	239,351	244,138	249,021
Annual Maintenance	205,760	299,711	283,652	16,059	333,090	339,752	346,547	353,478	360,548
Major Maintenance	-	-	-	-	-	35,000	-	-	-
Furniture & Equipment Depreciation	12,151	33,734	8,575	25,159	34,174	35,835	35,835	35,835	35,835
Non-Depreciable assets	1,841	16,000	15,000	1,000	1,000	5,000	5,100	5,202	5,306
Utilities	117,974	132,202	108,963	23,239	113,507	115,777	118,093	120,455	122,864
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	421,309	421,176	431,215	(10,039)	423,001	423,001	423,001	423,001	423,001
Payment Processing Fees	(690)	90,834	44,316	46,518	95,831	98,706	101,667	104,717	107,859
Finance Charges	6,699	94,782	14,450	80,332	15,306	14,037	5,390	-	-
Insurance	16,010	16,325	16,325	-	17,428	17,777	18,133	18,496	18,866
Telecommunications	4,313	4,629	4,677	(48)	4,654	4,747	4,842	4,939	5,038
Miscellaneous	4,999	3,800	1,138	2,662	3,100	8,100	10,100	10,353	10,612
Total Direct Expenditures	2,618,318	3,011,343	2,805,791	205,552	3,026,329	3,111,287	3,111,525	3,149,533	3,194,240
Indirect Expenditures									
Central Overhead Charges	12,717	13,022	13,022	-	11,678	11,912	12,150	12,393	12,641
Departmental/College Overhead Charges	56,986	58,957	58,957	-	60,223	61,427	62,656	63,909	65,187
Facilities & Services Overhead Charges	85,831	84,530	84,530	-	94,910	96,808	98,744	100,719	102,733
Total Indirect Expenditures	155,534	156,509	156,509	-	166,811	170,147	173,550	177,021	180,561
Total Expenditures	2,773,852	3,167,852	2,962,300	205,552	3,193,140	3,281,434	3,285,075	3,326,554	3,374,801
Operating Results Before Transfers	(1,993,005)	(1,057,018)	(1,447,013)	(389,995)	1,333,808	1,351,846	1,457,426	1,541,143	1,628,785

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

	2020-21 Actual	2021-22 Budget	2021-22 Forecast	2021-22 Variance	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget	2026-27 Budget
Total Fund Balance - Opening	9,436,513	5,543,623	5,642,502	98,879	2,418,640	3,752,448	5,104,294	6,561,720	8,102,863
Net Operating Results before Transfers	(1,993,005)	(1,057,018)	(1,447,013)	(389,995)	1,333,808	1,351,846	1,457,426	1,541,143	1,628,785
Transfers in to Ancillary operations	-	-	-	-	-	-	-	-	-
Transfer out of Ancillary operations ⁽¹⁾	(1,801,006)	(1,776,849)	(1,776,849)	-	-	-	-	-	-
Net Operating Results after Transfers	(3,794,011)	(2,833,867)	(3,223,862)	(389,995)	1,333,808	1,351,846	1,457,426	1,541,143	1,628,785
Total Fund Balance - Closing	5,642,502	2,709,756	2,418,640	(291,116)	3,752,448	5,104,294	6,561,720	8,102,863	9,731,648
Closing Fund balance is made up of:									
Investments in Capital Assets Internally Restricted	8,652,934	8,331,520	8,213,144	(118,376)	7,929,753	7,470,917	7,012,081	6,553,245	6,094,409
Capital Renewal Reserve	-	10,000	-	(10,000)	10,000	10,000	10,000	10,000	10,000
Operating Reserve	-	216,861	-	(216,861)	217,182	220,819	223,524	226,490	230,109
Construction Reserve	-	-	-	-	-	-	-	1,313,128	3,397,130
Unrestricted Surplus/(Deficit)	(3,010,432)	(5,848,625)	(5,794,504)	54,121	(4,404,487)	(2,597,442)	(683,885)	-	-

Notes:

⁽¹⁾ Transfer out of Ancillary operations is the repayment of the loans from the UTM Operating budget.

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

	2020-21 Actual	2021-22 Budget	2021-22 Forecast	2021-22 Variance	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget	2026-27 Budget
Capital Renewal	-	-	-	-	-	35,000	-	-	-
Total Major Maintenance	-	-	-	-	-	35,000	-	-	-

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

	2020-21 Actual	2021-22 Budget	2021-22 Forecast	2021-22 Variance	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget	2026-27 Budget
Deferred Maintenance	-	-	-	-	-	-	-	-	-
Total Deferred Maintenance	-	-	-	-	-	-	-	-	-

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

	2020-21 Actual	2021-22 Budget	2021-22 Forecast	2021-22 Variance	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget	2026-27 Budget
Car	-	-	-	-	39,340	-	-	-	-
Parking Garage	947	-	-	-	-	-	-	-	-
Virtual Permits Software	-	134,444	-	134,444	134,444	-	-	-	-
Total Capital Expenditure	947	134,444	-	134,444	173,784	-	-	-	-

**University of Toronto Mississauga
Parking Services
Schedule of Rates**

in \$'s

	2021-22	\$ Increase	2022-23	2023-24	2024-25	2025-26	2026-27
CCT Garage (annual)	1,410.69	42.32	1,453.01	1,496.60	1,541.50	1,587.74	1,635.38
Lot P1 (annual)	1,171.59	35.15	1,206.74	1,242.94	1,280.23	1,318.63	1,358.19
Lot P5 (annual)	1,137.47	34.12	1,171.59	1,206.74	1,242.94	1,280.23	1,318.64
Lot P9 (annual)	903.30	27.10	930.40	958.31	987.06	1,016.67	1,047.17
Lots P4 and P8 (annual)	797.26	23.92	821.18	845.81	871.19	897.32	924.24
Student (sessional - Lots P4 and P8)	332.18	9.97	342.15	352.41	362.98	373.87	385.09
Resident (annual)	1,009.28	27.53	1,036.81	1,067.91	1,099.95	1,132.95	1,166.94
Afternoon (annual - after 3:30pm)	234.60	7.04	241.64	248.89	256.35	264.04	271.97
Commercial (annual)	1,335.69	40.07	1,375.76	1,417.03	1,459.54	1,503.33	1,548.43
Pay & Display (daily maximum) <i>(6:30am to 8:00am next day)</i>							
CCT Garage	20.00	-	20.00	20.00	20.00	22.00	22.00
Lot P9	17.50	-	17.50	17.50	17.50	19.00	19.00
Lots P4 and P8	15.00	-	15.00	15.00	15.00	16.50	16.50
Pay & Display (evening/weekend) <i>(5:00pm to 8:00am next day)</i>							
CCT Garage	10.00	-	10.00	10.00	10.00	11.00	11.00
Lot P9	7.00	-	7.00	7.00	7.00	7.50	7.50
Lots P4 and P8	6.00	-	6.00	6.00	6.00	6.50	6.50
Pay & Display (per half hour) <i>(6:30am to 5:00pm)</i>							
CCT Garage	3.00	-	3.00	3.00	3.00	3.25	3.25
Lot P9	2.75	-	2.75	2.75	2.75	3.00	3.00
Lots P4 and P8	2.50	-	2.50	2.50	2.50	2.75	2.75
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	1.25	1.25
Lot P9	1.00	-	1.00	1.00	1.00	1.25	1.25
Lots P4 and P8	1.00	-	1.00	1.00	1.00	1.25	1.25
<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)			2.7%	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%	10%	0%
Lot P9			0.0%	0%	0%	9%	0%
Lots P4 and P8			0.0%	0%	0%	10%	0%

**University of Toronto Mississauga
Parking Services
Comparator Rates – 2021-22
in \$'s**

	UTM	UTSC	St. George	York	McMaster	Credit Valley Hospital
Reserved Permits:				(3)	(4)	
Most expensive	1,410.69	1,553.88	3,840.00	1,536.00	1,524.00	N/A
Least expensive	1,137.47	1,398.60	1,980.00	1,248.00	1,140.00	N/A
Unreserved Permits:						(2)
Most expensive	903.30	1,605.36	1,800.00	1,392.00	1,200.00	750.00
Least expensive	797.26	1,195.36	1,800.00	972.00	612.00	750.00
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	3.00	3.00
Evening Permit						
Most expensive	234.60	717.24	984.00	N/A	612.00	N/A
Least expensive	234.60	717.24	984.00	N/A	612.00	N/A

Notes:

- (1) Does not provide a 1/2 hour rate. Amounts have been prorated from the posted hourly rate.
(2) Used multi-use parking pass options to calculate cost based on 260 weekdays in a year.
(3) Does not currently provide Summer rates for 2022. Calculation uses 8-month rate plus 4-month Winter rate.
(4) Offers FT and PT rates for Fall 2021. Regular FT rates have been used for comparison.