

FOR CONFIRMATION

PUBLIC

CLOSED SESSION

TO: Executive Committee

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DATE: March 18, 2025 for March 25, 2025

AGENDA ITEM: 4(e)

ITEM IDENTIFICATION:

Operating Plans and Fees: Service Ancillaries

JURISDICTIONAL INFORMATION:

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

GOVERNANCE PATH:

1. UTSC Campus Affairs Committee [For Recommendation] (February 5, 2025)
2. University Affairs Board [For Information] (February 26, 2025)
3. UTSC Campus Council [For Approval] (March 4, 2025)
4. **Executive Committee [For Confirmation] (March 25, 2025)**

PREVIOUS ACTION TAKEN:

At its meeting held on February 7, 2024, the UTSC Campus Affairs Committee considered and recommended the 2024-25 UTSC service ancillary operating plan proposal to the UTSC Campus Council for approval. On March 5, 2024, UTSC Campus Council approved the 2024-25 service ancillary operating plans, which were presented to the University Affairs Board for information on February 28, 2024. The service ancillary operating plans received confirmation of approval from the Executive Committee on March 26, 2024.

HIGHLIGHTS:

The UTSC Campus Affairs Committee considers and recommends operating plans for all UTSC service ancillaries on an annual basis. Those plans include a management report that describes the proposed services and programs offered within the financial parameters of the University's operating budget and financial policies set by the Business Board. The plans also include each ancillary's annual operating budget, as well as changes to program and levels of service, categories of users, accessibility, and compulsory or optional fees. The plans report on actual financial results for 2023-24, the forecast for 2024-25, and projections for the five-year period, 2025-26 to 2029-30. Only the proposed budget for 2025-26 is presented for approval.

Consultation

The UTSC service ancillary operating plans are developed in a consultative process with the Office of the Chief Administrative Officer and the Financial Services Department. These plans are assessed for completeness, adherence to fiscal policies, financial feasibility and their ability to achieve the four financial objectives for service ancillaries. Consultation around each of these plans also occurs with stakeholder groups that are directly affected and that form part of the advisory and decision-making structures of each operation.

Students are included in these groups. The Student Housing Advisory Committee includes membership from residents at large, students living off campus in rental accommodations, residence advisors, representation from the Scarborough Campus Residence Council, and elected members from the Scarborough Campus Student Union (SCSU). The Food User Committee gathers various representatives from the UTSC community including academic staff and faculty, administration, students, and representatives from the campus' food service provider and the SCSU. The Parking Advisory Review Committee includes academic staff and faculty, administration, and students.

Each advisory group was provided with the opportunity to discuss ancillary management plans, operations, products, programs, and initiatives presented by the service ancillary. Discussions covered accessibility, hours of operations, pricing, service levels, current and future programs, and maintenance projects planned, as applicable. The various advisory committees provided feedback and guidance to topics brought forward by the service ancillaries, which were used to develop the operating plans submitted to the Committee for recommendation. The 2025-26 operating plans and management reports were also provided to University of Toronto Financial Services Department for comment. No major concerns were raised.

Overview

Service ancillaries at the University of Toronto Scarborough include Student Housing and Residence Life, Retail and Conference Services, Food and Beverage Services, and Parking Services. These operations are measured over the long-term on their success in meeting four objectives: (i) to operate without subsidy from the operating budget; (ii) to provide for all costs of capital renewal, including deferred maintenance, furniture and equipment; (iii) having achieved the first two objectives, create and maintain a minimum operating reserve of 10 percent of annual expenditures; and (iv) having achieved the first three objectives, contribute net revenues to the operating budget.

2025-26 Service Ancillary Operating Plans and Budgets

Service ancillaries as a whole are budgeting net income before transfers of \$3.2 million for the year ending April 30, 2026 on projected revenues of \$18.9 million (see Schedule 1).

2025-26 Service Ancillary Capital Budgets

The service ancillaries are budgeting capital expenditures of \$2.7 million in 2025-26 (see Schedule 5), consisting primarily of improvements to the south parking lots and roadways (\$1.5 million), minor renovations, lighting improvements, and replacement of common area furniture in the south residences, and additional equipment for the kitchen and dining hall at the Harmony Commons residence.

2025-26 Service Ancillary Rates and Fees

Student Housing and Residence Life is proposing fee increases of 3.5% - 5.7% for the townhouses and apartment style suites for the fall and winter term; there are no fee increases proposed in the summer 2025 term. Parking Services is proposing a 10% permit fee increase for all categories of UTSC permits. Food and Beverage Services is proposing a 3% fee increase for the all-access meal plan at the Harmony Commons residence (see Schedule 6).

These budgets and fees being presented for approval for the 2025-26 year are reasonable, based on the operating plans, which outline the opportunities and challenges facing each ancillary, with the understanding that there will be continuing work to address various issues.

FINANCIAL IMPLICATIONS:

An assessment of each ancillary's ability to achieve the four financial objectives is summarized in Schedule 2.

RECOMMENDATION:

Be It Confirmed,

THAT the 2025-26 operating plans and budgets for the UTSC Service Ancillaries, as summarized in Schedule 1; the Service Ancillary capital budgets as summarized in Schedule 5; and the rates and fees in Schedule 6, as presented in the Service Ancillary Report on Operating Plans dated January 6, 2025, be approved effective May 1, 2025.

DOCUMENTATION PROVIDED:

Service Ancillary Report on Operating Plans, 2025-26
Presentation: Operating Plans and Fees: Service Ancillaries



UNIVERSITY OF
TORONTO
SCARBOROUGH

Service Ancillary Report on Operating Plans

2025-26

January 6, 2025

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Introduction

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

Student Housing and Residence Life (SHRL) operates UTSC's residences. This includes resident intake, financial administration, and property management services. SHRL also provides residence life services to enhance the quality of the student experience for students living in residence. This ancillary also operates the 746 bed Harmony Commons residence, which is owned by a limited partnership with the University being the general partner. The financial impact of Harmony Commons on this ancillary's operating budget is limited to residence life services, which are provided by this ancillary and funded in large part by the limited partnership.

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

Food and Beverage Services oversees the operation of UTSC's retail food services facilities and the dining hall in the Harmony Commons residence. This ancillary manages the business relationships with food vendors to deliver a wide range of food options and healthy campus initiatives and invests in food services infrastructure as required. This ancillary also oversees UTSC's T-Card program.

Parking Services operates and maintains UTSC's surface parking lots and will also operate the parking facility at the Retail and Parking Commons parking structure when it opens, early in the 2026-27 year.

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

1. To operate without subsidy from the operating budget. Should the need for a subsidy be identified, the subsidy must be expressed as a matter of policy and compete on equal terms with other priorities in the operating budget.

2. To provide for all costs of capital renewal, including deferred maintenance. Provision must be made for regular replacement of furniture and equipment.
3. Having achieved the first two objectives, create and maintain an operating reserve (excluding capital requirements) at a minimum level of 10 percent of annual expenditure budgets (net of cost of goods sold, capital renewal costs, and deans' and dons' expenses), as protection against unforeseen events, which would have a negative financial impact on the operation.
4. Having obtained the first three objectives, service ancillaries will contribute net revenues to the operating budget (for purposes of clarification, the fourth objective relates to all contributions of net revenues made by the ancillary operation to any operating budget outside of their own operation). The rate of contribution is established by each campus for each individual ancillary.

Capital Projects and the Impact on Ancillary Operating Budgets

There is one capital project in progress which will affect the ancillary budgets.

Retail and Parking Commons

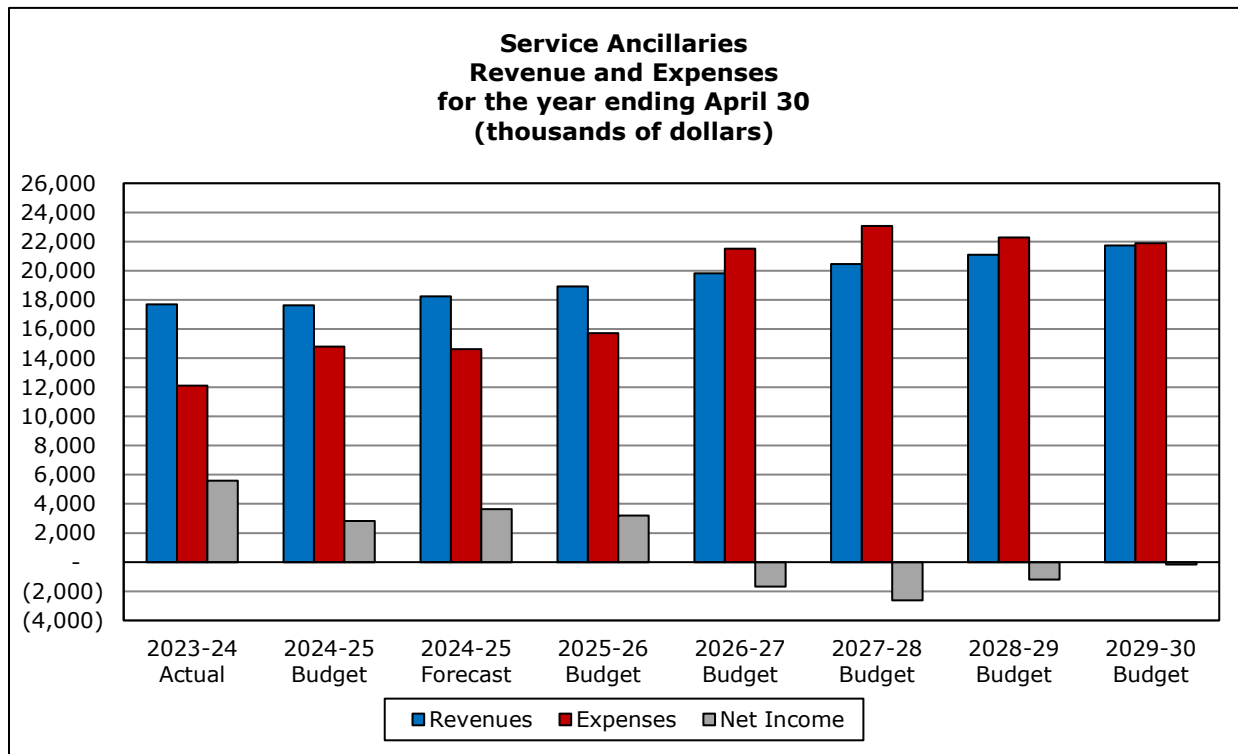
Retail & Parking Commons is a multi-storey above-ground parking structure which will replace surface parking spaces which have been displaced by the Harmony Commons residence (opened in 2023), the Sam Ibrahim Building (opened in 2024), Indigenous House (under construction), and the Scarborough Academy of Medicine and Integrated Health (SAMIH) building (under construction). It will also provide additional parking spaces needed for these new buildings, in compliance with the City of Toronto parking by-law.

Capital funding is being provided by the Parking ancillary's reserves, central debt, and a contribution from the UTSC Operating Budget as compensation for parking spaces being displaced by capital projects on the north campus, a portion of which will be repayable. The financial implications (operating costs, debt service costs, and depreciation expenses) are modelled in the Parking ancillary's operating budget starting in the 2026-27 fiscal year, when the Retail and Parking Commons is projected to open.

Summary

This report includes highlights of the 2024-25 forecasts, 2025-26 budgets, and long-range operating plans for each ancillary. This report also includes financial summaries of each ancillary.

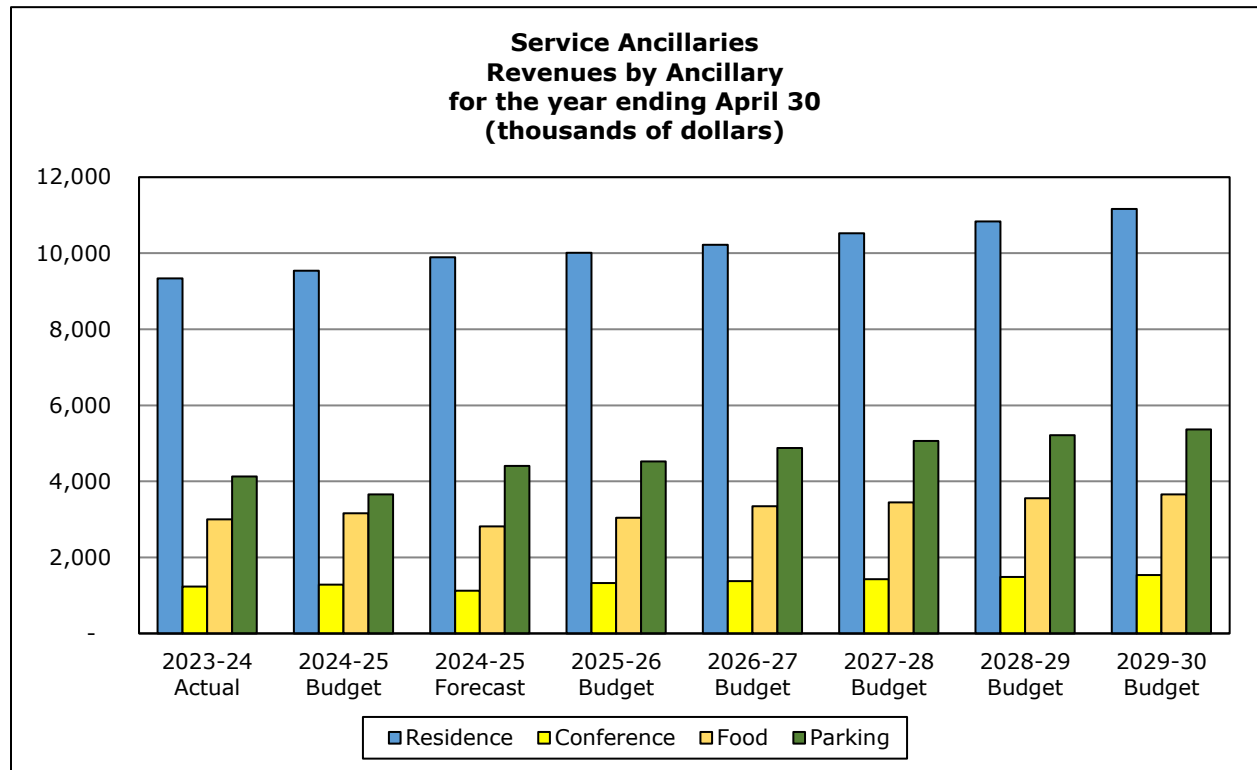
Financial Summary



	2023-24 Actual	2024-25 Budget	2024-25 Forecast	2025-26 Budget	2026-27 Budget	2027-28 Budget	2028-29 Budget	2029-30 Budget
Revenues	17,691	17,627	18,237	18,911	19,829	20,466	21,083	21,737
Expenses	12,103	14,801	14,607	15,704	21,501	23,079	22,271	21,894
Net Income	5,588	2,826	3,630	3,207	(1,672)	(2,613)	(1,188)	(157)
% Δ Revenue		-0.4%	3.5%	3.7%	4.9%	3.2%	3.0%	3.1%

UTSC ancillaries are forecasting net income of \$3.6 million for the fiscal year ending April 30, 2025 on projected revenue of \$18.2 million. This is a \$2.0 million decrease versus last year's net income of \$5.6 million. Projected net income is greater than the budget by \$0.8 million.

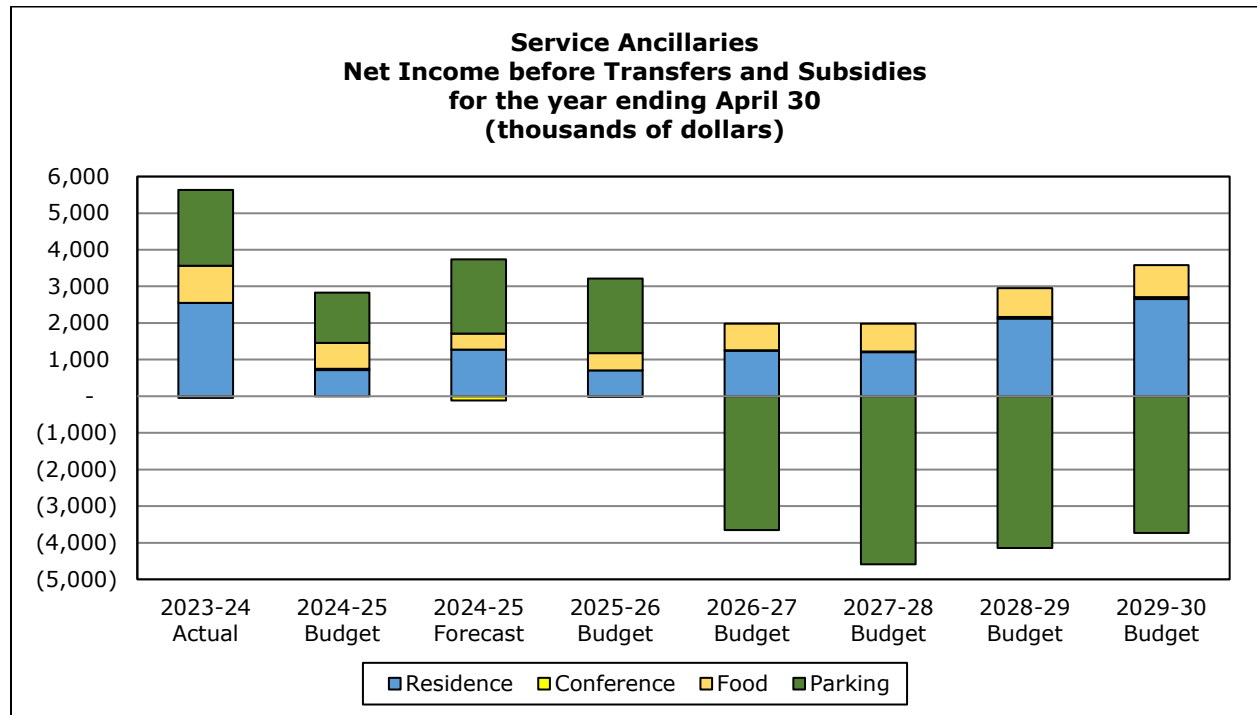
For the 2025-26 year, the ancillaries are budgeting total net income of \$3.2 million. This is less than net income in the current year's forecast, primarily due to Residence, as all of the summer business is likely to be placed at Harmony Commons. Residence is also planning to incur significant costs next year to maintain its aging housing stock.



	2023-24 Actual	2024-25 Budget	2024-25 Forecast	2025-26 Budget	2026-27 Budget	2027-28 Budget	2028-29 Budget	2029-30 Budget
Residence	9,336	9,536	9,894	10,012	10,226	10,525	10,832	11,167
Conference	1,231	1,280	1,124	1,327	1,378	1,429	1,483	1,540
Food	2,998	3,157	2,813	3,046	3,347	3,448	3,553	3,661
Parking	4,126	3,654	4,406	4,526	4,878	5,064	5,215	5,369
Total Revenue	17,691	17,627	18,237	18,911	19,829	20,466	21,083	21,737
Expenses	12,103	14,801	14,607	15,704	21,501	23,079	22,271	21,894
Net Income	5,588	2,826	3,630	3,207	(1,672)	(2,613)	(1,188)	(157)

Net Income

Forecasted net income for the 2024-25 year is \$3.6 million, which is higher than the budgeted net income of \$2.8 million. The ancillaries are forecasting a surplus: Residence at \$1.3 million, Parking at \$2.0 million, Food Services at \$0.4 million, except Conference Services, which is forecasting a deficit of \$0.1 million.



	2023-24 Actual	2024-25 Budget	2024-25 Forecast	2025-26 Budget	2026-27 Budget	2027-28 Budget	2028-29 Budget	2029-30 Budget
Residence	2,553	711	1,278	703	1,244	1,201	2,126	2,653
Conference	(49)	40	(112)	(3)	11	22	36	52
Food	1,014	706	433	479	726	758	794	873
Parking	2,070	1,369	2,031	2,028	(3,653)	(4,594)	(4,144)	(3,735)
Net Income (Loss)	5,588	2,826	3,630	3,207	(1,672)	(2,613)	(1,188)	(157)

Net income is projected to be \$3.2 million in 2025-26.

Collectively, the ancillaries are expected to perform well during the 2025-26 year but will incur net losses for the remainder of the five-year planning period. This is due to Parking Services, which will incur significantly higher depreciation and debt service costs when the Retail and Parking Commons opens in the 2026-27 year, but Parking Services will continue to be cash flow positive throughout the five-year planning period and beyond.

Net Assets

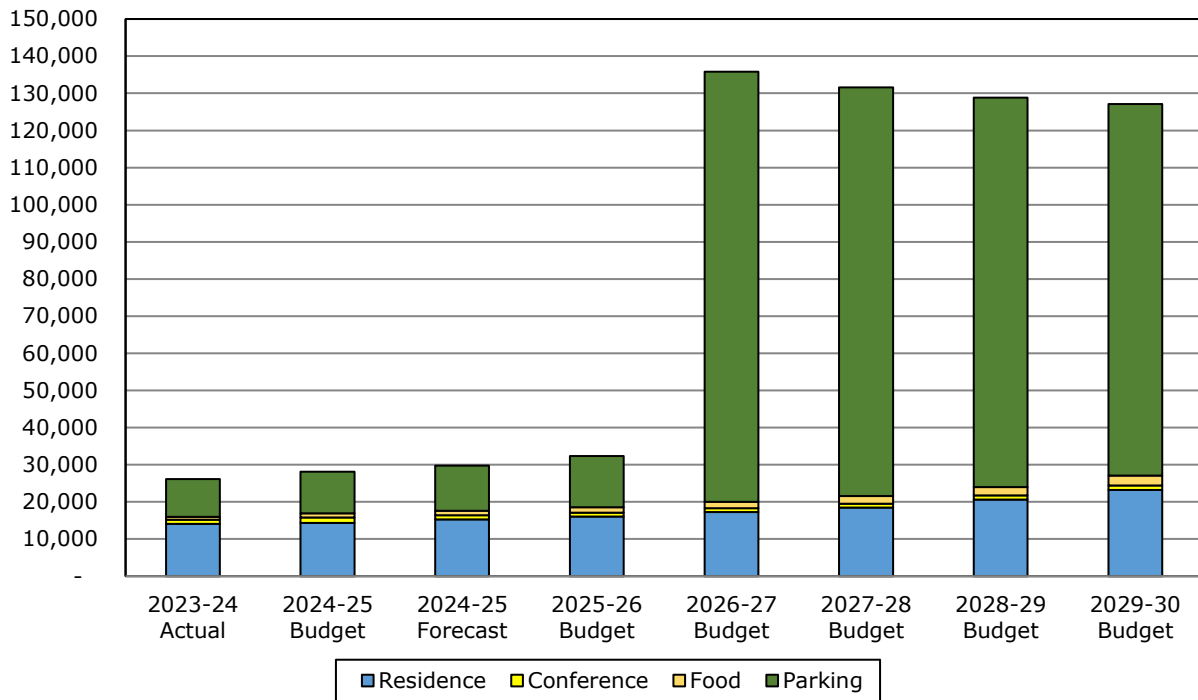
Net Assets represent the cumulative surpluses earned by the service ancillaries since their inception. Over time, net assets change due to net surpluses or deficits each year and transfers in and out of the ancillary.

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

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

The following chart shows the history of actual net assets for service ancillaries from 2023-24 to 2029-30:

**Service Ancillaries
Net Assets by Ancillary
for the year ending April 30
(thousands of dollars)**



	2023-24 Actual	2024-25 Budget	2024-25 Forecast	2025-26 Budget	2026-27 Budget	2027-28 Budget	2028-29 Budget	2029-30 Budget
Residence	14,058	14,315	15,336	16,040	17,284	18,484	20,611	23,263
Conference	1,154	1,527	1,042	1,040	1,051	1,074	1,110	1,162
Food	791	1,084	1,224	1,504	1,729	1,987	2,280	2,653
Parking	10,126	11,204	12,156	13,759	115,753	110,091	104,879	100,076
Total	26,129	28,130	29,758	32,343	135,817	131,636	128,880	127,154

In 2024-25, the ancillaries are forecasting total net assets of \$29.8 million.

The 2025-26 operating plan projects total net assets of \$32.3 million, consisting of \$9.6 million in unrestricted surplus, \$3.0 million in operating reserves, \$6.7 million invested in capital assets, \$0.6 million capital renewal reserves, and \$12.4 million of new construction reserves.

**Service Ancillaries
Net Assets by Category
for the budget year 2025-26
(thousands of dollars)**

	Unrestricted Surplus/ (Deficit)	Operating Reserve	Invested in Capital Assets	Capital Renewal Reserve	New Construction Reserve	Total Net Assets
Residence	-	969	2,402	369	12,300	16,040
Conference	-	995	43	2	-	1,040
Food	5	419	912	68	100	1,504
Parking	9,635	617	3,340	167	-	13,759
Total	9,640	3,000	6,697	606	12,400	32,343

Net assets are projected to increase to \$127.1 million by 2029-30, an increase of \$94.8 million from 2025-26. This large projected increase is in: Parking Services (\$86.3 million, due to capital costs of Retail and Parking Commons being funded by a contribution from the Operating Budget), Residence (\$7.2 million) and Food Services (\$1.1 million).

Ancillary Debt

For 2025-26, the ancillaries are projecting total outstanding debt of \$2.9 million for Residence Phase IV (on original loans issued of \$16.0 million).

The estimated principal and interest payments are \$1.3 million, which is 13% of the Residence ancillary's projected revenues. The interest portion of \$0.2 million is 2.3% of its revenue or 2.5% of its expenses.

The Parking ancillary is planning to obtain central debt of \$25.0 million in the 2026-27 year as long-term financing for the Retail and Parking Commons following the conclusion of construction.

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

	2023-24 Actual	2024-25 Forecast	2025-26 Budget	2026-27 Budget	2027-28 Budget	2028-29 Budget	2029-30 Budget
Residence	5,004	3,973	2,872	1,695	438	0	0
Conference	-	-	-	-	-	-	-
Food	-	-	-	-	-	-	-
Parking	0	0	0	24,631	24,163	23,667	23,139
Total Loan Balance	5,004	3,973	2,872	26,326	24,601	23,667	23,139

Review of UTSC Ancillary Operations

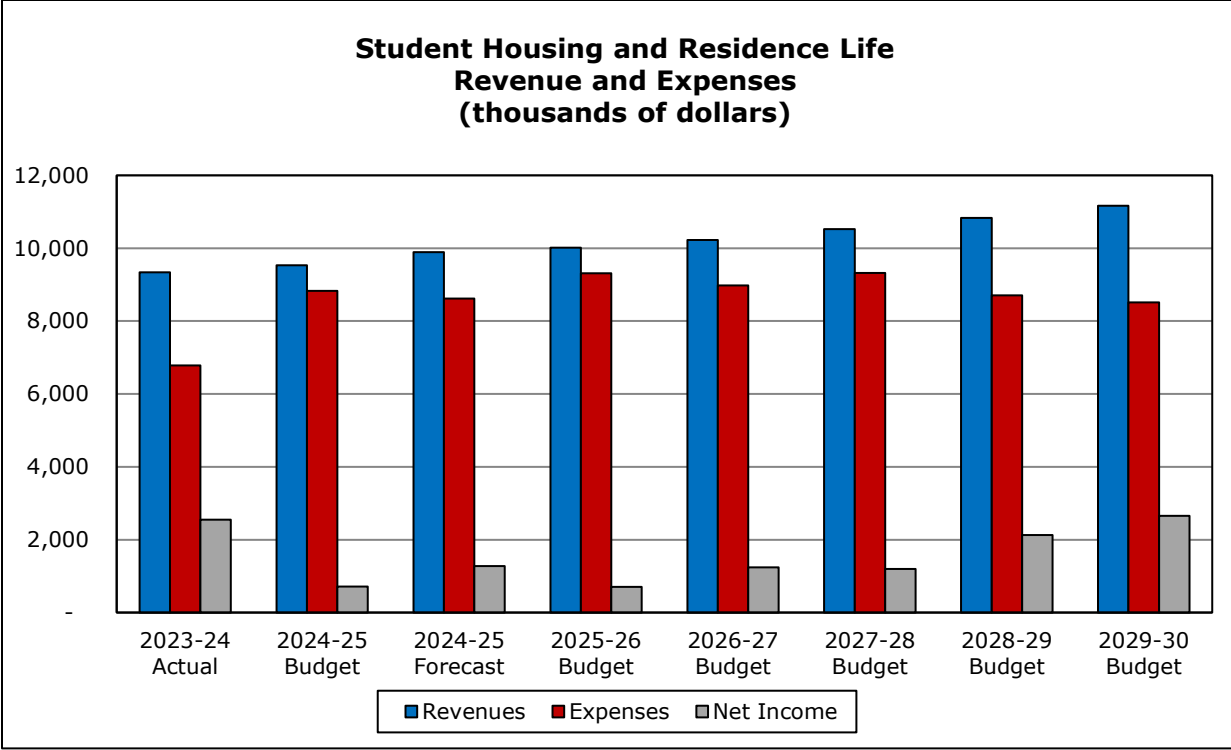
Student Housing and Residence Life

Student Housing and Residence Life (SHRL) is now offering 1,513 beds to students. The south residences provide 767 beds (single and double rooms) in 114 townhouses and 56 apartments. The north residence, Harmony Commons, provides 746 beds (super single, single and double rooms) in a traditional dormitory style.

The opening of Harmony Commons in September, 2023 allowed UTSC to accommodate more first year students so SHRL no longer required off-campus rentals to meet the first-year housing guarantee. The expanded housing capacity on campus has allowed SHRL to open housing for upper year undergraduate and graduate students. Joan Foley Hall is now earmarked as an upper year undergraduate building while graduate student housing is located in the north townhouses.

Key accomplishments in 2024-25 are:

- Hired additional staff to cater to the larger resident population:
 - new Manager, Housing Operations & Administration
 - conversion of the Student Housing Coordinator into two specialized roles: Occupancy & Admissions Coordinator and Housing Services Coordinator
- Both the south residences and Harmony Commons were substantially full, including significant demand from upper year and graduate students
- Student satisfaction from a recent survey has been positive.
- Completed facilities projects, as follows:
 - Joan Foley Hall - flooring replacement, standardization and replacement of furniture, repainting and repair of bathroom vanities and kitchen cabinets
 - Townhouses - conversion of kitchens to kitchenettes for all first-year townhouses (Ph I & II), replacement of bathtubs and bath wall liners, roofing replacements, and removal of screen doors.



	2023-24 Actual	2024-25 Budget	2024-25 Forecast	2025-26 Budget	2026-27 Budget	2027-28 Budget	2028-29 Budget	2029-30 Budget
Revenues	9,336	9,536	9,894	10,012	10,226	10,525	10,832	11,167
Expenses	6,783	8,825	8,616	9,309	8,982	9,324	8,706	8,514
Net Income	2,553	711	1,278	703	1,244	1,201	2,126	2,653
% Δ Revenue		2%	4%	1%	2%	3%	3%	3%

2024-25 Forecast

Residence is forecasting net income of \$1.3 million in 2024-25, which is \$0.6 million more than budget. Total net assets are projected to be \$15.3 million.

The higher net income is mainly due to some of the south residences being occupied during the summer term, which was unplanned, savings in salary costs due to vacant positions and the deferral of some major maintenance projects in Joan Foley Hall.

2025-26 Budget and Long-Range Plan

Total revenues for 2025-26 are projected to be about the same as in the 2024-25 forecast. Fall / winter occupancy is expected to be stable; however, no summer revenues are budgeted, as all summer residents are expected to be placed at Harmony Commons. Lower overall occupancy resulting from no summer business will be offset by rate increases.

Residence rates are budgeted to increase in the range of 2.0% to 6.0% across the various types of residence. The fee increases will fund increases in facility operating costs and will help to build reserves needed for major capital renewal.

Residence has planned for \$0.65 million in capital expenditures. Of this amount, \$0.3 million is a placeholder budget for renovations of the townhouses, the details of which will be guided by an updated Housing Master Plan. In addition, major maintenance projects are planned for next year, including \$583K for work on the townhouses and a \$400K placeholder budget for renovations of Joan Foley Hall. Total net assets are projected to increase to \$16.0 million.

The additional capacity provided by the Harmony Commons residence provides an opportunity for UTSC to consider future options for its aging University-owned housing stock. UTSC commissioned a Housing Master Plan to guide this review; the first draft was provided in 2023. However, the external environment has changed since then, including higher construction costs for new housing stock, which make project economics more difficult, and fewer international students, at least for now, which may reduce housing demand. In addition, some private sector student residence developments are being planned, to be located very close to the UTSC campus. Therefore, Residence plans to update the Housing Master Plan in the upcoming year, including a new demand study to inform future builds, while preparing updated maintenance plans for Joan Foley Hall and the townhouses.

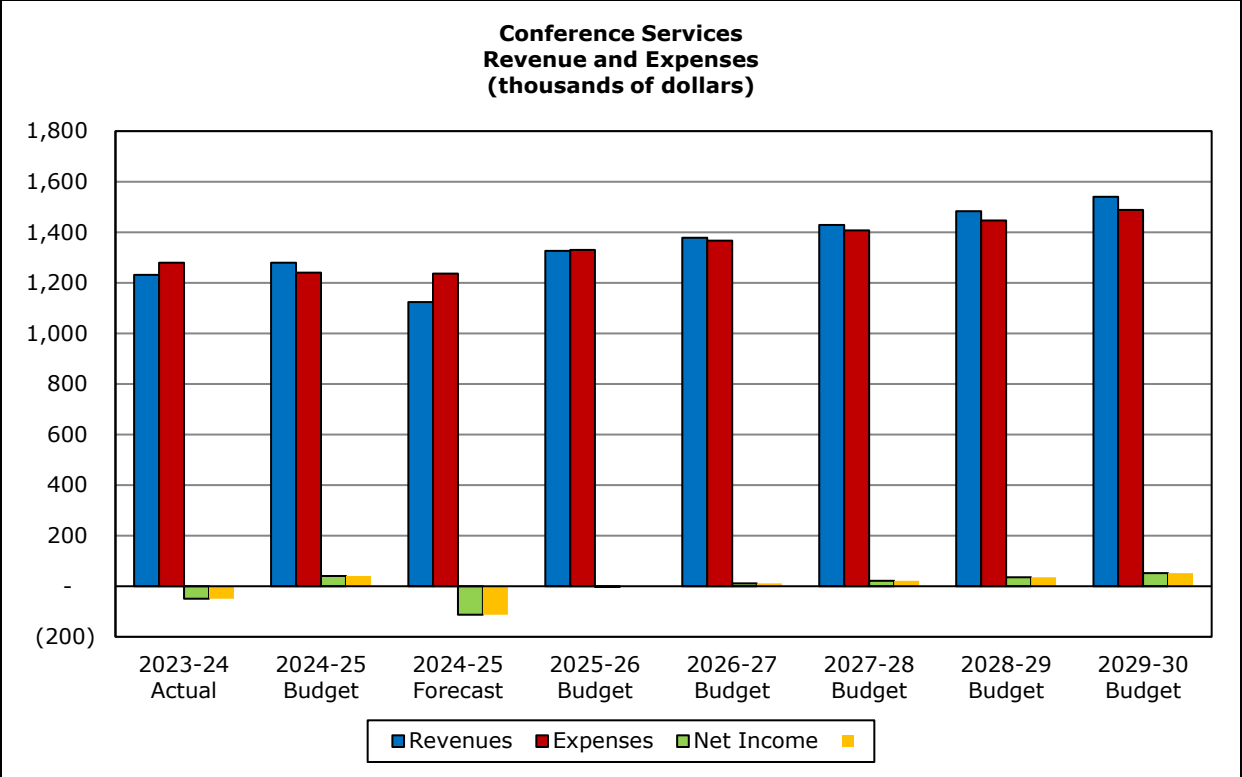
Conference Services

Conference Services makes UTSC premises available on a fee-paying basis when they are not in use for academic purposes. This includes conferences, meeting services, facility rentals, and conference logistics support. While the availability of UTSC premises for full-service conferences is limited to the summer months when classrooms and residence facilities are more available, this ancillary also rents space during the fall and winter months for smaller events where residence accommodation is not required.

The addition of the state-of-the-art Sam Ibrahim Building (SIB) has significantly enhanced the conference offerings, having hosted a successful tech conference in the space. This new facility is expected to be a key asset for future events along with Harmony Commons, which provides enhanced accommodation facility and Highland Hall, which provides capacity for larger events and conferences.

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

Conference Services also assists in the administration of UTSC's International Academic Programs and Initiatives (I-API) programs, which provide an academic bridging program that brings students from China up to the academic expectations of UTSC and helps ensure a smooth transition to Canadian and university life.



	2023-24 Actual	2024-25 Budget	2024-25 Forecast	2025-26 Budget	2026-27 Budget	2027-28 Budget	2028-29 Budget	2029-30 Budget
Revenues	1,231	1,280	1,124	1,327	1,378	1,429	1,483	1,540
Expenses	1,280	1,240	1,236	1,330	1,367	1,407	1,447	1,488
Net Income	(49)	40	(112)	(3)	11	22	36	52
% Δ Revenue		4%	-12%	18%	4%	4%	4%	4%

2024-25 Forecast

Conference Services is forecasting a net deficit of \$112K. Total net assets will be \$1.0 million, consisting of \$54K invested in capital assets and almost \$1.0 million of operating reserve.

The Green Path program, the largest of the IAPI programs, continues to be a significant segment of this ancillary’s accommodation revenue during the summer months. Camp UTSC had 746 registrations in the summer of 2024.

2025-26 Budget and Long-Range Plans

Conference Services is budgeting to almost break even in 2025-26 year. Financial performance is expected to gradually improve over the remainder of the planning period, leveraging UTSC's new facilities at the Sam Ibrahim Building, Harmony Commons, and Highland Hall. Main sources of revenues continue to be IAPI's Green Path program, conferences, events in partnership with UTSC Athletics and the Toronto PanAm Sports Centre (TPASC), and Camp UTSC.

Net assets are projected to remain at \$1.0 million, consisting of \$43K invested in capital assets and almost \$1.0 million in operating reserves.

By 2029-30, net assets are projected to be \$1.2 million, consisting of \$1.2K in capital assets and \$1.2 million in operating reserves.

The Harmony Commons Residence, the Sam Ibrahim Building classrooms, and the Highland Hall Event Centre provide an ideal suite of conference facilities for UTSC to market to trade associations and event planners, which should enable Conference Services to diversify beyond its current business lines. Assessments are ongoing on how to best utilize these assets.

Food and Beverage Services

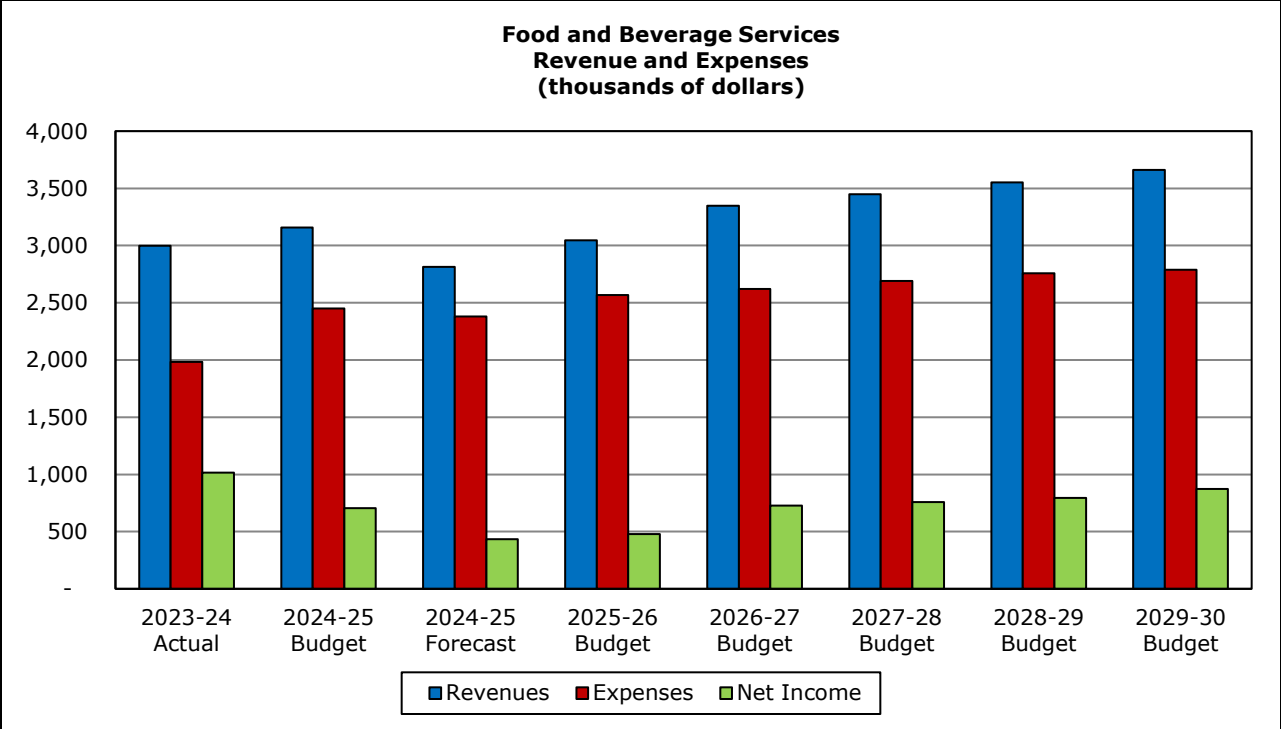
Food and Beverage Services oversees nine food retail operations in the H-Wing Marketplace, a Starbucks Café, and a Tim Hortons outlet, all on the south campus. On the north campus, a dining hall in Harmony Commons opened in September 2023 offering an all-access meal plan for students. A retail unit is leased to an external operator, La Prep Café, in the Instructional Centre. Three new retail locations, which will be under commercial lease agreements, will be opening in 2025.

Operations in the H-Wing Marketplace, Starbucks, Tim Hortons, and the dining hall are contracted out to Aramark. The current contract covers the period June 1, 2022 to April 30, 2032.

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

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

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



	2023-24 Actual	2024-25 Budget	2024-25 Forecast	2025-26 Budget	2026-27 Budget	2027-28 Budget	2028-29 Budget	2029-30 Budget
Revenues	2,998	3,157	2,813	3,046	3,347	3,448	3,553	3,661
Expenses	1,984	2,451	2,380	2,567	2,621	2,690	2,759	2,788
Net Income	1,014	706	433	479	726	758	794	873
% Δ Revenue		5%	-11%	8%	10%	3%	3%	3%

2024-25 Forecast

Food and Beverage Services is forecasting net income of \$0.4 million. Total net assets are projected to be \$1.2 million by April 2025.

In September 2023, the Harmony Commons residence opened, which includes a dining hall where first year residents purchase a mandatory all-access meal plan. Food Services receives the meal plan fees as revenue, from which it pays a commission to the food operator and a commission to the Residence LP for the use of the dining hall facilities and incurs certain dining hall operating expenses.

In the 2024-25 year, the ancillary's capital spending consists of a \$345K contribution to the renovation of Starbucks, and \$222K for additional equipment for the dining hall.

2025-26 Budget and Long-Range Plans

The ancillary is budgeting net income of \$0.5 million in 2025-26.

The all-access meal plan rates are budgeted to increase by 3% in 2025-26.

Net assets are projected to be \$1.5 million by April 2026, consisting of \$0.9 million invested in capital assets, \$0.4 million in operating reserves and \$0.2 million in capital renewal and new construction reserves.

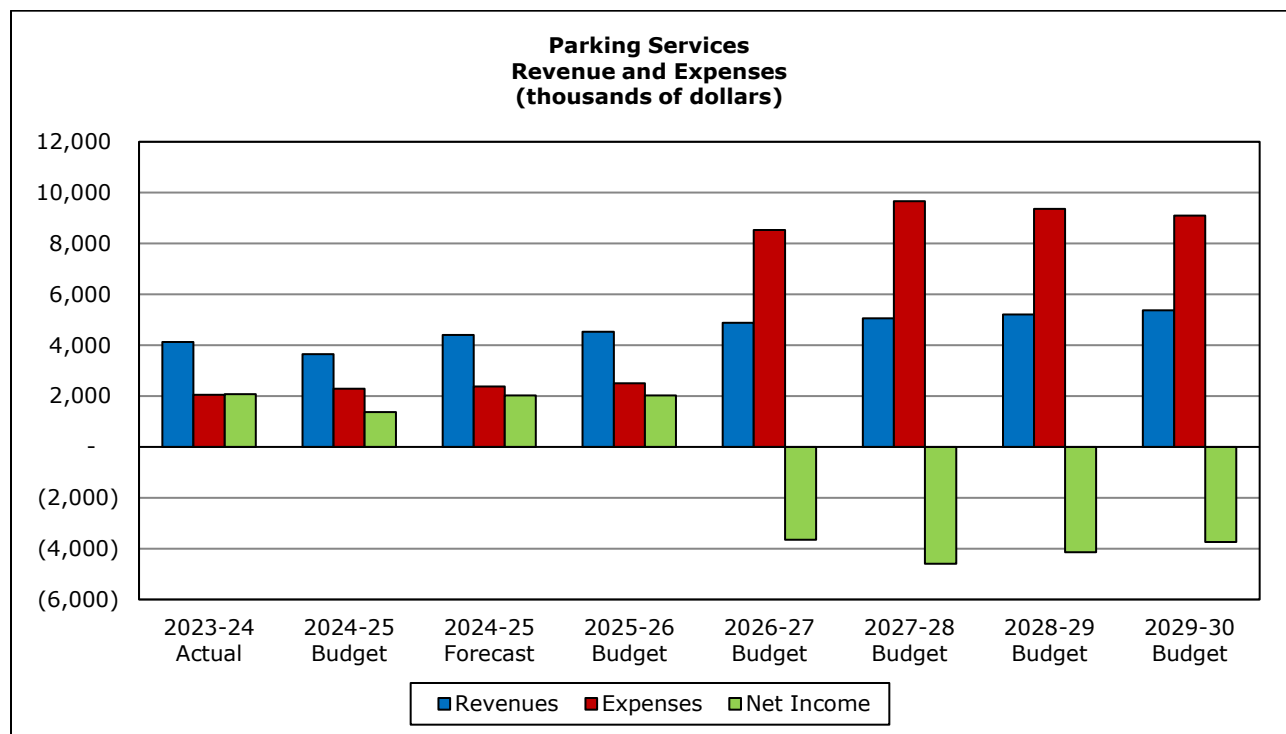
Net assets are expected to be \$2.7 million by 2029-30 consisting of \$0.5 million invested in capital assets, \$0.5 million in operating reserve, \$1.1 million in capital renewal and new construction reserves and the remainder in unrestricted surplus.

There will be a new food outlet in the SAMIH building when it opens in 2026. Budget implications will be modelled when more information becomes available.

For the 2025-26 year, the ancillary has planned for \$0.3 million in capital expenditures.

Parking Services

The mission of Parking Services is to provide quality parking facilities and services in a safe and secure environment. It offers users year-round controlled access to parking in the UTSC and Centennial College Morningside Campus communities. There are 342 spaces in the south campus lots and 1,619 in the north campus lots. This ancillary continues to support the various ways staff, faculty, and students can access the campus, including the East Arrival Court bus loop that allows greater flow and frequency of public transportation and connection with GO Transit, Durham Region Transit, and the TTC.



	2023-24 Actual	2024-25 Budget	2024-25 Forecast	2025-26 Budget	2026-27 Budget	2027-28 Budget	2028-29 Budget	2029-30 Budget
Revenues	4,126	3,654	4,406	4,526	4,878	5,064	5,215	5,369
Expenses	2,056	2,285	2,375	2,498	8,531	9,658	9,359	9,104
Net Income	2,070	1,369	2,031	2,028	(3,653)	(4,594)	(4,144)	(3,735)
% Δ Revenue		-11%	21%	3%	8%	4%	3%	3%

2024-25 Forecast

Parking is forecasting net income of \$2.0 million, which is \$0.66 million higher than the budget. Total net assets are projected to be \$12.2 million.

The higher net income is due to higher than budgeted pay & display meter revenues, which was partially offset by fewer sales of fall-winter parking permits. This reflects consumer preferences for short-term parking, due in part to hybrid work arrangements, which makes traditional monthly permits less attractive for some users.

2025-26 Budget and Long-Range Plan

Parking Services is budgeting a \$2.0 million surplus in 2025-26. Parking permit fees are budgeted to increase by 10% in the 2025-26 year and by 3% thereafter. These increases will help to fund higher operating costs and will help to fund debt service costs and depreciation expenses of the new Retail and Parking Commons, which is now under construction and will open in the 2026-27 year.

The Retail and Parking Commons parking garage will replace surface parking which has been lost due to the construction of new buildings on the north campus and will maintain compliance with the City of Toronto's parking by-law. The project cost is \$140 million. The funding sources are a contribution from the ancillary's reserves (\$7 million), central debt (\$25 million), and a UTSC internal loan (\$18 million) with the balance being funded by the Operating Budget as compensation for parking spaces being displaced by other capital projects on the north campus.

The budget model includes the revenues, operating expenses, debt service costs, and depreciation expenses of the Retail and Parking Commons building, beginning in the 2026-27 year.

Net assets are projected to be at \$13.8 million in 2025-26, consisting of \$3.3 million invested in capital assets (ICA), \$0.17 million capital renewal reserve, a \$0.6 million operating reserve, and \$9.7 million in unrestricted surplus. Net assets are projected to be \$100 million by 2029-30 including the capital costs of the Retail and Parking Commons.

Review and Consultation Process

The UTSC Campus Affairs Committee will make recommendations to the UTSC Campus Council on annual budgets related to service ancillaries. The budgets approved by Campus Council will be presented to the Executive Committee of Governing Council for confirmation. Those plans will include a Management Report that describes the proposed services and programs and each ancillary's annual operating budget, as well as changes to program and levels of service, categories of users, accessibility, and fees. This year, the plans will report actual financial results for 2023-24, the forecast for 2024-25, and projections for the five-year period, 2025-26 to 2029-30. Only the proposed budget for 2025-26 is presented for approval.

Student / Local Committees and Councils

The Residence operating plan was reviewed by the Student Housing Advisory Committee (SHAC) during meetings in the Fall semester of 2024. Members supported the plans for the 2025-26 budget. SHAC provides students with an opportunity to learn about current operations and future plans in residence and off-campus housing services. Students advise the department on the student experience, services, policies, procedures, budget issues and residence fees. The committee is comprised of residents at large, students living off campus in rental accommodation, a residence advisor, Scarborough Campus Residence Council President, elected members of the Scarborough Campus Students' Union (SCSU) and the Director, Student Housing and Residence Life. The department also communicates and meets regularly with the Scarborough Campus Residence Council to share information, receive input and collaborate on programs. The Student Housing Advisory Committee's five working groups focus on learning opportunities and includes Communications, Equity, Learning Experiences, Mental Health, and Safety.

Food Services gathers representatives from the UTSC community including academic staff and faculty, administration, students, and representatives from Aramark and the SCSU to form the Food User Committee. This committee meets throughout the year to discuss operational matters including hours of operation, product offerings, services, general business, and formulation of focus groups. Social media is monitored for comments and suggestions and any concerns are immediately addressed.

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

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

University of Toronto Scarborough
Service Ancillaries Operating Budget Summary
Projected Operating Results for the year ending April 30, 2026
 (with comparative projected results for the year ending April 30, 2025)
 (thousands of dollars)

	Revenue	Expense	Net Income before Transfers	Transfers in/(out)	Net Income after Transfers 2025-26	Net Income after Transfers 2024-25
Residence	10,012	9,309	703	-	703	1,278
Conference	1,327	1,330	(3)	-	(3)	(112)
Food	3,046	2,567	479	(200)	279	433
Parking	4,526	2,498	2,028	(425)	1,603	2,030
Total	18,911	15,704	3,207	(625)	2,582	3,629

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

Service Ancillary	Objectives to be met in 2025-26				2025-26					2025-26	2027-28	2029-30
					Unrestricted Surplus / (Deficit)	Projected Investment in Capital Assets	Projected Capital Renewal Reserve (Sch 3.1)	Projected Operating Reserve (Sch 3.2)	Projected New Construction Reserve (Sch 3.2)	Net Assets	Net Assets	Net Assets
	1	2	3	4								
Residence	Yes	Yes	Yes	No	-	2,402	369	969	12,300	16,040	18,484	23,263
Conference	Yes	Yes	Yes	No	-	43	2	995	-	1,040	1,074	1,162
Food	Yes	Yes	Yes	Yes	5	912	68	419	100	1,504	1,987	2,653
Parking	Yes	Yes	Yes	Yes	9,635	3,340	167	617	-	13,759	110,091	100,076
Total					9,640	6,697	606	3,000	12,400	32,343	131,636	127,154

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

	Projected Balance May 1, 2025	Net Increase / (Decrease) in Commitments to Capital Renewal	Projected Balance April 30, 2026	Projected Balance April 30, 2030
Residence	416	(47)	369	399
Conference	3	(1)	2	1
Food	68	-	68	123
Parking	111	56	167	5,692
Total	598	8	606	6,215

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

	OPERATING RESERVE				NEW CONSTRUCTION RESERVE			
	Projected Balance May 1, 2025	Increase / (Decrease) in Operating Reserve	Projected Balance April 30, 2026	Projected Balance April 30, 2030	Projected Balance May 1, 2025	Increase / (Decrease) in Construction Reserve	Projected Balance April 30, 2026	Projected Balance April 30, 2030
Residence	957	12	969	1,080	11,987	313	12,300	16,085
Conference	986	9	995	1,160	-	-	-	-
Food	387	32	419	503	18	82	100	1,000
Parking	600	17	617	732	-	-	-	2,954
Total	2,930	70	3,000	3,475	12,005	395	12,400	20,039

University of Toronto Scarborough
Service Ancillaries Operating Budget Summary
Projected Annual Operating Results
for the years ended April 30, 2025 through April 30, 2030
(thousands of dollars)

Service Ancillary	2024-25 Forecast			2025-26 Budget			2026-27 Budget		
	Net Income (Loss) Before Transfers	Transfers In / (Out)	Net Income (Loss) After Transfers	Net Income (Loss) Before Transfers	Transfers In / (Out)	Net Income (Loss) After Transfers	Net Income (Loss) Before Transfers	Transfers In / (Out)	Net Income (Loss) After Transfers
	Residence	1,278	-	1,278	703	-	703	1,244	-
Conference	(112)	-	(112)	(3)	-	(3)	11	-	11
Food	433	-	433	479	(200)	279	726	(500)	226
Parking	2,031	-	2,031	2,028	(425)	1,603	(3,653)	105,647	101,994
Total	3,630	-	3,630	3,207	(625)	2,582	(1,672)	105,147	103,475

Service Ancillary	2027-28 Budget			2028-29 Budget			2029-30 Budget		
	Net Income (Loss) Before Transfers	Transfers In / (Out)	Net Income (Loss) After Transfers	Net Income (Loss) Before Transfers	Transfers In / (Out)	Net Income (Loss) After Transfers	Net Income (Loss) Before Transfers	Transfers In / (Out)	Net Income (Loss) After Transfers
	Residence	1,201	-	1,201	2,126	-	2,126	2,653	-
Conference	22	-	22	36	-	36	52	-	52
Food	758	(500)	258	794	(500)	293	873	(500)	373
Parking	(4,594)	(1,068)	(5,662)	(4,144)	(1,068)	(5,212)	(3,735)	(1,068)	(4,803)
Total	(2,613)	(1,568)	(4,181)	(1,188)	(1,568)	(2,757)	(157)	(1,568)	(1,725)

University of Toronto Scarborough
Service Ancillaries Operating Budget Summary
Summary of 2025-26 Capital Budgets
(with comparative figures for 2024-25)
(thousands of dollars)

	2025-26 Budget	2024-25 Budget
Residence	654	1,412
Conference	-	-
Food	312	61
Parking	1,755	130
Total	2,721	1,603

**University of Toronto Scarborough
Service Ancillaries Operating Budget Summary
Schedule of 2025-26 Ancillary Rates**

STUDENT HOUSING AND RESIDENCE LIFE

<u>DESCRIPTION</u>	<u>2024-25</u>	<u>% Change</u>	<u>2025-26</u>	<u>Inc. / (Dec.) per Month</u>
SOUTH RESIDENCES				
<i>Fall/Winter Rates</i>				
Phase I - III single	\$ 11,417	3.5%	\$ 11,821	\$ 50.44
Phase I - Small Room (I Room)	\$ 10,088	3.6%	\$ 10,452	\$ 45.46
Phase IV single	\$ 12,647	5.5%	\$ 13,341	\$ 86.67
Phase I shared	\$ 8,697	3.7%	\$ 9,019	\$ 40.24
Phase I shared basement	\$ 7,827	3.8%	\$ 8,123	\$ 36.98
Phase IV Shared	\$ 9,340	5.7%	\$ 9,867	\$ 66.00
<i>Summer Rates</i>				
Phase I-III (academic term May 8 - August 27)	\$ 5,230	0.0%	\$ 5,230	\$ -
Visitor Weekly Rate	\$ 409		\$ -	
Visitor 8-week Rate	\$ 2,844	0.0%	\$ 2,844	
Ph IV-Foley Hall (academic term May 8 - August 27)	\$ 5,714	0.0%	\$ 5,714	\$ -
Visitor Weekly Rate	\$ 449		\$ -	
Visitor 8-week Rate	\$ 3,129	0.0%	\$ 3,129	

PARKING SERVICES

<u>DESCRIPTION</u>	<u>LOT</u>	<u>2024-25</u> <u>Approved</u>	<u>2025-26</u> <u>Proposed</u>	<u>% Change</u>	<u>\$ Change</u> <u>per mo.</u>	<u>NOTES</u>
PERMITS:						
<u>South Lots:</u>						
Annual, South Lots C, D Employee Premium	C, D	\$2,068.29	\$2,275.12	10.0%	or... \$ 17.24 ...per month	
Annual, South Lot B ("Ring Road") Employee	B	\$1,861.47	\$2,047.62	10.0%	or... \$ 15.51 ...per month	
Summer Term	C, D	\$413.68	\$455.05	10.0%	or... \$ 10.34 ...per month	
Residence, Fall/Winter Term	C, D	\$1,464.28	\$1,610.71	10.0%	or... \$ 18.30 ...per month	
Residence, Winter Term	C, D	\$820.00	\$902.00	10.0%	or... \$ 20.50 ...per month	
Residence, Summer Term	C, D	\$366.09	\$402.70	10.0%	or... \$ 9.15 ...per month	
Evening Payroll, Employee Annual	C, D	\$954.67	\$1,050.14	10.0%	or... \$ 7.96 ...per month	
<u>North Lots:</u>						
Annual North Lot, Premium (Lot K)	K	\$2,068.29	\$2,275.12	10.0%	or... \$ 17.24 ...per month	
Annual North Lot, Payroll Employee	G, H, J	\$1,591.03	\$1,750.13	10.0%	or... \$ 13.26 ...per month	
Student, Fall/Winter	G, H, J	\$1,271.89	\$1,399.08	10.0%	or... \$ 15.90 ...per month	
Monthly Student North Lot Permit	G, H, J	\$178.06	\$195.87	10.0%	or... \$17.81 ...per month	
Fall or Winter Term	G, H, J	\$712.26	\$783.48	10.0%	or... \$ 17.81 ...per month	
Summer Term	G, H, J	\$319.14	\$351.05	10.0%	or... \$ 7.98 ...per month	
Centennial Permit (September to May)	G, H, J	\$1,271.89	\$1,399.08	10.0%	or... \$ 15.90 ...per month	A
Centennial Fall or Winter Term Permit	G, H, J	\$712.26	\$783.48	10.0%	or... \$ 17.81 ...per month	A
Centennial Summer Permit	G, H, J	\$319.14	\$351.05	10.0%	or... \$ 7.98 ...per month	A
CASH PARKING:						
<u>South Lots:</u>						
Peak period hourly rate	A	\$ 5.30	\$ 5.85	10.4%		
Flat Rate, Evening		\$ 9.30	\$ 10.25	10.2%		
Flat Rate, Weekend		\$ 9.30	\$ 10.25	10.2%		
Summer conference - daily rate		\$ 7.99	\$ 8.80	10.3%		
Summer conference - youth bed rate		\$ 1.93	\$ 2.12	10.0%		
<u>Instructional Center Lot K: Currently Permits Only, Closed during Construction 2024-25</u>						
Flat Rate, Day	K	\$ 21.20	\$ 23.40	10.4%		B
Flat Rate, Evening		\$ 9.30	\$ 10.25	10.2%		
Flat Rate, Weekend		\$ 9.30	\$ 10.25	10.2%		
<u>Lots F and G (North Lots):</u>						
Flat Rate, Day	F, G	\$ 13.30	\$ 14.65	10.2%		
Flat Rate, Evening		\$ 8.00	\$ 8.80	10.0%		
Flat Rate, Weekend		\$ 6.65	\$ 7.30	9.8%		
<u>Lot H (North Lots):</u>						
Peak period hourly rate	H	\$ -	\$ 5.85	n/a		
Flat Rate, Evening		\$ -	\$ 10.25	n/a		
Flat Rate, Weekend		\$ -	\$ 10.25	n/a		
NOTES:						
A. The 2004 contract between UTSC and Centennial College was revised in July 2021; rates now equivalent to those of UTSC.						
B. Cash rates in Lot K increased to match rates in South Lot A; permits for each respective lot are priced in this manner.						
C. New initiative, hourly parking in Lot H for North Campus short-term parking needs, previously unavailable.						

FOOD AND BEVERAGE SERVICES

<u>DESCRIPTION</u>	<u>2024-25</u>	<u>% Change</u>	<u>2025-26</u>	<u>Inc. / (Dec.)</u>
<u>Fall / Winter</u>				
5-Day All Access Meal Plan	\$ 5,865	3.0%	\$ 6,041	\$ 176
7-Day All Access Meal Plan	\$ 6,175	3.0%	\$ 6,360	\$ 185
<u>Summer</u>				
5-Day All Access Meal Plan	\$ 2,936	2.9%	\$ 3,020	\$ 85
7-Day All Access Meal Plan	\$ 3,090	2.9%	\$ 3,180	\$ 90