



TO: University Affairs Board

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AGENDA ITEM: 3

ITEM IDENTIFICATION:

2011-12 Operating Plans for Service Ancillaries

JURISDICTIONAL INFORMATION:

Each year the University Affairs Board approves operating plans for service ancillaries. The plans describe the services and programs to be offered, within the financial parameters set by the University's operating budget and financial policies set by the Business Board. The plans include each ancillary's annual operating budget, and describe changes to programs and levels of service, categories of users, accessibility, and compulsory or optional fees.

PREVIOUS ACTION TAKEN:

Consultation around each of these plans occurs first at the local level, with stakeholder groups that are directly affected, and that form part of the decision-making structures of each operation. Students are included in these groups. Draft plans for each ancillary have been reviewed by the Financial Services Department, whose report has been considered by the Service Ancillary Review Group (SARG). Three members of the University Affairs Board are members of SARG.

HIGHLIGHTS:

The services provided by residences, conference services, food and beverage services, parking and Hart House are important contributors to the student experience and to the experience of faculty and staff at the University.

Service ancillaries are budgeting a net income of \$1.2 million before transfers and subsidies at April 30, 2012 on projected revenues of \$101.1 million (See Schedule I). Rate increases vary between ancillaries (see Schedule VI).

The ancillary operations are projecting an increase in revenue for summer business and food sales as the economy becomes stabilized. This budget is also anticipating some growth in revenue for conferences, food & beverage and parking as service capacity increases and some parking inventory returns at completion of the new construction at UTM and UTSC.

The long-range plan shows that many of the service ancillaries are improving and are projecting an operating surplus without subsidies in 2015-16. Efforts are continuing to address the financial challenges resulting from expansion.

These budgets and rates provided for approval for 2011-12, are reasonable on a one year basis given the challenges facing the ancillaries, with the understanding that there will be continuing work to address the various issues.

FINANCIAL AND/OR PLANNING IMPLICATIONS:

The anticipation of each ancillary in achieving the objectives of the long-range budget guidelines are summarized on page 61.

RECOMMENDATION:

It is recommended that the University Affairs Board approves the 2011-12 operating plans and budgets for Service Ancillaries, as summarized in Schedule I; the service ancillary capital budgets as summarized in Schedule V, and the rates and fees in Schedule VI.

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