

**FOR APPROVAL**

**PUBLIC**

**OPEN SESSION**

**TO:** UTSC Campus Council

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

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**PRESENTER:** See Sponsor

**CONTACT INFO:**

**DATE:** March 3, 2020 for March 10, 2020

**AGENDA ITEM:** 4

**ITEM IDENTIFICATION:**

Operating Plans and Fees: Service Ancillaries

**JURISDICTIONAL INFORMATION:**

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

**GOVERNANCE PATH:**

1. UTSC Campus Affairs Committee (For Recommendation) (February 11, 2020)
2. **UTSC Campus Council (For Approval) (March 10, 2019)**
2. University Affairs Board (For Information) (March 11, 2020)
4. Executive Committee (For Confirmation) (March 24, 2020)

**PREVIOUS ACTION TAKEN:**

At its meeting held on February 14, 2019, the UTSC Campus Affairs Committee considered and recommended the 2019-20 UTSC service ancillary operating plan proposal to the UTSC Campus Council for approval. On March 7, 2019, UTSC Campus Council approved the 2019-20 service ancillary operating plans, which were presented to the University Affairs Board for information on March 4, 2019. The service ancillary operating plans received confirmation of approval from the Executive Committee on March 26, 2019. At its meeting held on February 11, 2020, the UTSC Campus Affairs Committee considered and recommended the 2020-21 UTSC service ancillary operating plan proposal to the UTSC Campus Council for approval.

**HIGHLIGHTS:**

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

ancillaries on an annual basis. Those plans include a management report that describes the proposed services and programs offered within the financial parameters of the University's operating budget and financial policies set by the Business Board. The plans also include each ancillary's annual operating budget, as well as changes to program and levels of service, categories of users, accessibility, and compulsory or optional fees. The plans will report on actual financial results for 2018-19, the forecast for 2019-20, and projections for the five-year period, 2020-21 to 2024-25. Only the proposed budget for 2020-21 is presented for approval.

### Consultation

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

Each advisory group was provided with the opportunity to discuss ancillary management plans, operations, products, programs, and initiatives presented by the service ancillary. Discussions covered accessibility, hours of operations, pricing, service levels, current and future programs, and maintenance projects planned, as applicable. The various advisory committees provided feedback and guidance to topics brought forward by the service ancillaries, which were used to develop the operating plans submitted to the Committee for recommendation. The 2020-21 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.

### 2020-21 Service Ancillary Operating Plans and Budgets

Service ancillaries are budgeting net income of \$2.6 million before transfers at April 30, 2021 on projected revenues of \$15.4 million (see Schedule 1), which will primarily be applied to increase reserves for capital renewal, operating, and new construction, thus strengthening financial health.

### 2020-21 Service Ancillary Capital Budgets

The service ancillaries are budgeting capital expenditures of \$2.0 million in 2020-21 (see Schedule 5). Capital budgets include construction of a gravel parking lot to partially replace parking being displaced by upcoming capital projects on the north campus, new equipment and leasehold improvements at Tim Hortons, and several projects in the residences (reinforcement of supporting beams and stairs in Phases II and III, renovations to the Residence Centre, and life cycle replacement of residence furniture).

### 2020-21 Service Ancillary Rates and Fees

Student Housing and Residence Life proposes an increase of 5% for townhouses and apartment style suites. Parking Services proposes a 10% permit fee increase for all categories of UTSC permits and higher fee increases for most pay-and-display parking.

These budgets and rates provided for approval for 2020-21 are reasonable based on the operating plans, which outline the opportunities and ongoing challenges facing the ancillaries, with the understanding that there will be continuing work to address various issues.

### **FINANCIAL IMPLICATIONS:**

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

### **RECOMMENDATION:**

Be It Resolved,

THAT subject to confirmation of the Executive Committee,

THAT the 2020-21 operating plans and budgets for the UTSC Service Ancillary, as summarized in Schedule 1; the Service Ancillary capital budgets as summarized in Schedule 5; and the rates and fees in Schedule 6, as presented in the Service Ancillary Report on Operating Plans dated December 20, 2019, be approved effective May 1, 2020.

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### **DOCUMENTATION PROVIDED:**

Service Ancillary Report on Operating Plans, 2020-21  
PowerPoint Presentation