

**FOR
INFORMATION**

PUBLIC

OPEN SESSION

TO: University Affairs Board

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DATE: February 20, 2024 for February 28, 2024

AGENDA ITEM: 3 (b)

ITEM IDENTIFICATION:

Operating Plans and Fees: UTSC Service Ancillaries, 2024-25

JURISDICTIONAL INFORMATION:

Under the *Terms of Reference* for UTSC 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 7, 2024)
2. **University Affairs Board (For Information) (February 28, 2024)**
3. UTSC Campus Council (For Approval) (March 5, 2024)
4. Executive Committee (For Confirmation) (March 26, 2024)

PREVIOUS ACTION TAKEN:

At its meeting held on February 9, 2023, the UTSC Campus Affairs Committee considered and recommended the 2023-24 UTSC service ancillary operating plan proposal to the UTSC Campus Council for approval. On March 8, 2023, UTSC Campus Council approved the 2023-24 service ancillary operating plans, which were presented to the University Affairs Board for information on March 1, 2023. The service ancillary operating plans received confirmation of approval from the Executive Committee on March 21, 2023.

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 2022-23, the forecast for 2023-24, and projections for the five-year period, 2024-25 to 2028-29. Only the proposed budget for 2024-25 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 2024-25 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.

2024-25 Service Ancillary Operating Plans and Budgets

Service ancillaries as a whole are budgeting net income before transfers of \$2.8 million for the year ending April 30, 2025 on projected revenues of \$19.0 million (see Schedule 1).

2024-25 Service Ancillary Capital Budgets

The service ancillaries are budgeting capital expenditures of \$1.6 million in 2024-25 (see Schedule 5), consisting primarily of capital expenditures in the townhouses and in Joan Foley Hall based on recommendations from the student housing master plan, vehicles replacements in Parking Services, and various kitchen equipment in Food Services.

2023-24 Service Ancillary Rates and Fees

Student Housing and Residence Life proposes increases of 3% - 6% for townhouses and apartment style suites. Parking Services proposes a 10% permit fee increase for all categories of UTSC permits (see Schedule 6).

These budgets and rates provided for approval for 2024-25 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:

For Information.

DOCUMENTATION PROVIDED:

1. Service Ancillary Report on Operating Plans, 2024-25
2. Presentation Slides, Operating Plans, 2024-25



UNIVERSITY OF
TORONTO
SCARBOROUGH

Service Ancillary Report on Operating Plans

2024-25

January 9, 2024

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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.

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 from China.

Food and Beverage Services maintains UTSC's food services facilities and manages food vendor relationships to deliver a wide range of food options and healthy campus initiatives. 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 at the conclusion of construction.

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

Two major capital projects affect the ancillary operating budgets in the the five year planning period:

- the Harmony Commons student residence, which opened in September 2023, and
- the Retail and Parking Commons parking structure, which will be under construction starting in early 2024 and which is forecast to open in the 2026-27 fiscal year.

The status of these capital projects and their impact on the operating budgets during the five year planning period are as follows.

Harmony Commons Residence

Harmony Commons, a 746-bed student residence, opened in September 2023. This residence provides dormitory style accommodation, a dining hall with a mandatory all-access meal plan, and residence life services.

The residence is owned by UTSC Residence LP Limited Partnership ("LP"), a joint venture partnership where the University is the general Partner and an equity investor is the limited partner. The residence is located on University property.

The residence is operated by the University, which provides all of the services that apply to University-owned residences, including residence life, property management, information technology, and food services.

The financial impact on the operating budget of the Residence ancillary is limited to residence life services, which are being delivered by this ancillary and funded in large part by the LP.

The residence life operating expenses at Harmony Commons and the funding from the LP are included in this ancillary's operating budget in order to provide a comprehensive view of all Residence operations.

Harmony Commons also affects the operating budget of Food Services, due to the all-access meal plan. Food Services receives the meal plan fees as revenue, from which it pays a 74% commission to the food operator and a 15% commission to the LP for the use the dining hall and commercial kitchen.

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, the Sam Ibrahim Building, Indigenous House, and the Scarborough Academy of Medicine and Integrated Health (SAMIH) building. Retail and Parking Commons will also provide additional parking spaces needed for these new buildings, in compliance with the City of Toronto parking by-law.

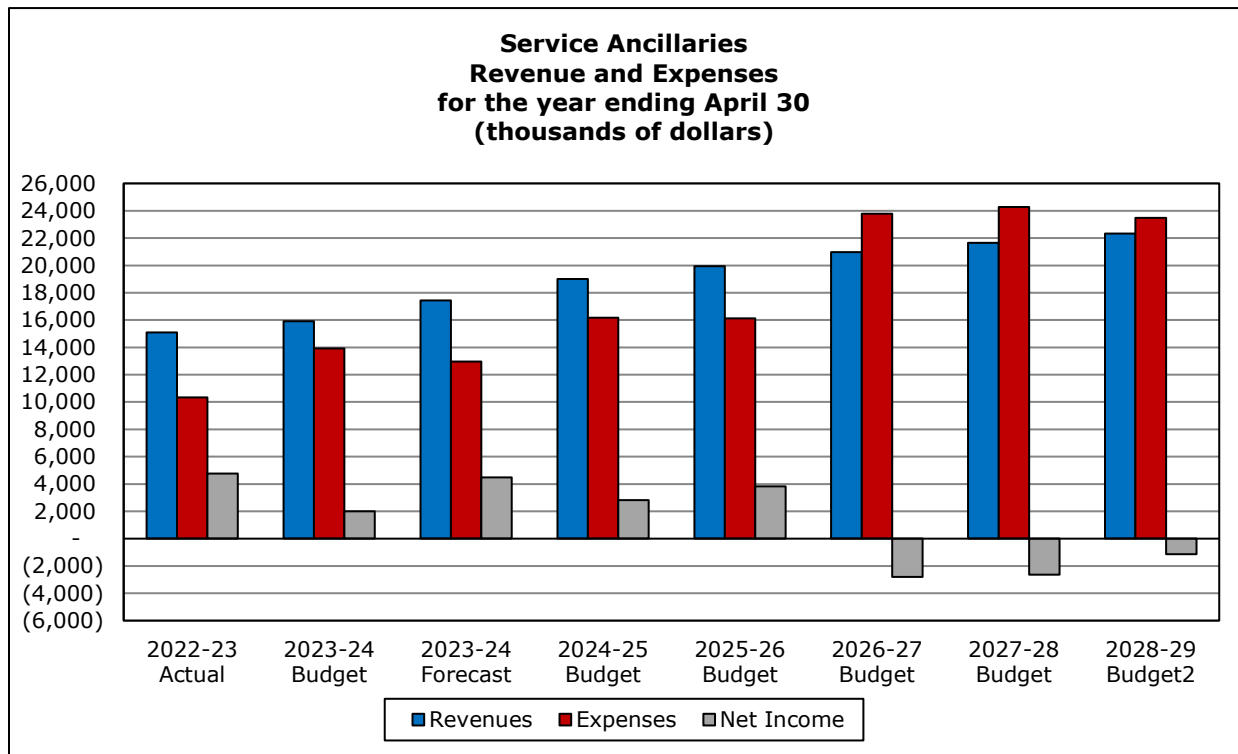
Capital funding is being provided by the Parking ancillary's reserves, central debt, and a contribution from the UTSC Operating Budget as compensation for parking spaces being displaced by capital projects on the north campus, a portion of which will be repayable. The financial implications are modelled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

Summary

This report includes highlights of the 2023-24 forecasts, 2024-25 budgets, and long-range operating plans for each ancillary. This report also includes financial summaries of each ancillary.

The financial implications of the capital projects have been incorporated into the ancillary budgets where they can be quantified or estimated and are also noted in the narrative of each ancillary.

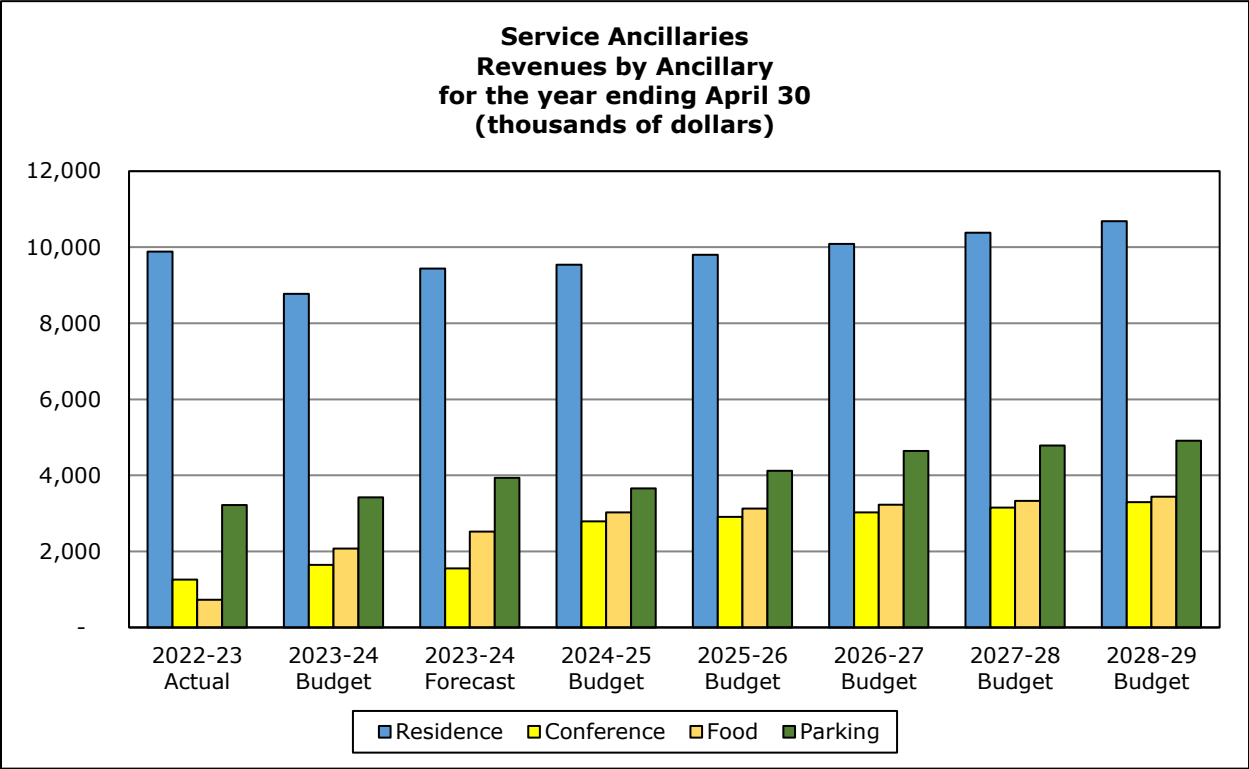
Financial Summary



	2022-23 Actual	2023-24 Budget	2023-24 Forecast	2024-25 Budget	2025-26 Budget	2026-27 Budget	2027-28 Budget	2028-29 Budget
Revenues	15,087	15,913	17,444	19,005	19,949	20,974	21,649	22,328
Expenses	10,330	13,918	12,960	16,180	16,124	23,776	24,280	23,473
Net Income	4,757	1,995	4,484	2,825	3,825	(2,802)	(2,631)	(1,145)
% Δ Revenue		5.5%	9.6%	8.9%	5.0%	5.1%	3.2%	3.1%

UTSC ancillaries are forecasting net income of \$4.5 million for the fiscal year ending April 30, 2024 on projected revenue of \$17.4 million. This is a \$0.3 million decrease versus last year's net income of \$4.8 million. Projected net income is greater than budget by \$2.5 million.

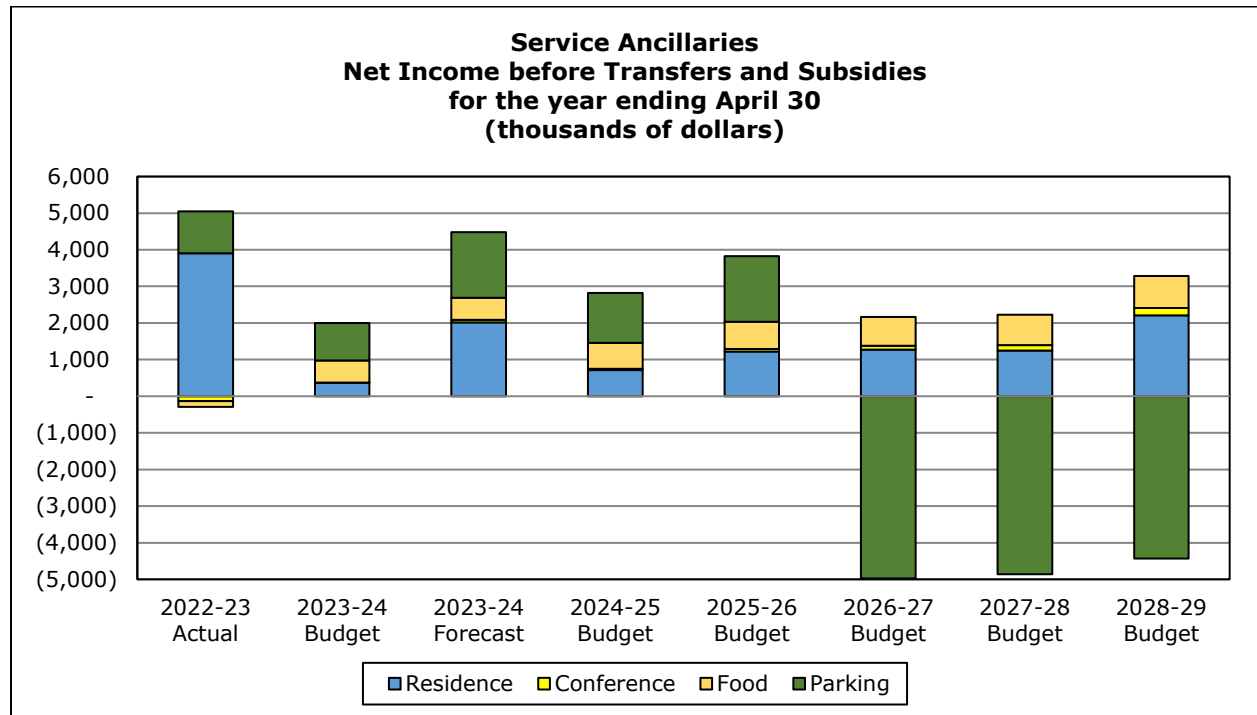
For the 2024-25 year, the ancillaries are budgeting net income of \$2.8 million. This is less than net income in the current year forecast, primarily due to Residence, as much of the summer business will be transferred to the more hotel like operation of Harmony Commons. Residence will also incur significant costs next year to maintain its aging housing stock.



	2022-23 Actual	2023-24 Budget	2023-24 Forecast	2024-25 Budget	2025-26 Budget	2026-27 Budget	2027-28 Budget	2028-29 Budget
Residence	9,881	8,775	9,440	9,536	9,799	10,085	10,382	10,687
Conference	1,258	1,643	1,550	2,791	2,906	3,022	3,150	3,293
Food	729	2,075	2,520	3,024	3,124	3,227	3,332	3,441
Parking	3,219	3,420	3,934	3,654	4,120	4,640	4,785	4,907
Total Revenue	15,087	15,913	17,444	19,005	19,949	20,974	21,649	22,328
Expenses	10,330	13,918	12,960	16,180	16,124	23,776	24,280	23,473
Net Income	4,757	1,995	4,484	2,825	3,825	(2,802)	(2,631)	(1,145)

Net Income

Forecasted net income for the 2023-24 year is \$4.5 million, which is higher than the budgeted net income of \$2.0 million. All ancillaries are forecasting a surplus: Residence at \$2.0 million, Parking at \$1.8 million, Food Services at \$0.6 million and Conference Services at \$0.1 million.



	2022-23 Actual	2023-24 Budget	2023-24 Forecast	2024-25 Budget	2025-26 Budget	2026-27 Budget	2027-28 Budget	2028-29 Budget
Residence	3,901	375	2,020	711	1,219	1,277	1,248	2,211
Conference	(133)	2	64	41	72	104	147	202
Food	(159)	599	603	706	745	788	831	875
Parking	1,148	1,019	1,797	1,367	1,789	(4,971)	(4,857)	(4,433)
Net Income (Loss)	4,757	1,995	4,484	2,825	3,825	(2,802)	(2,631)	(1,145)

Net income is projected to be \$2.8 million in 2024-25.

The ancillaries as a whole are expected to perform well during the 2024-25 and 2025-26 years 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, although Parking Services will continue to be cash flow positive throughout the five year planning period and beyond.

Net Assets

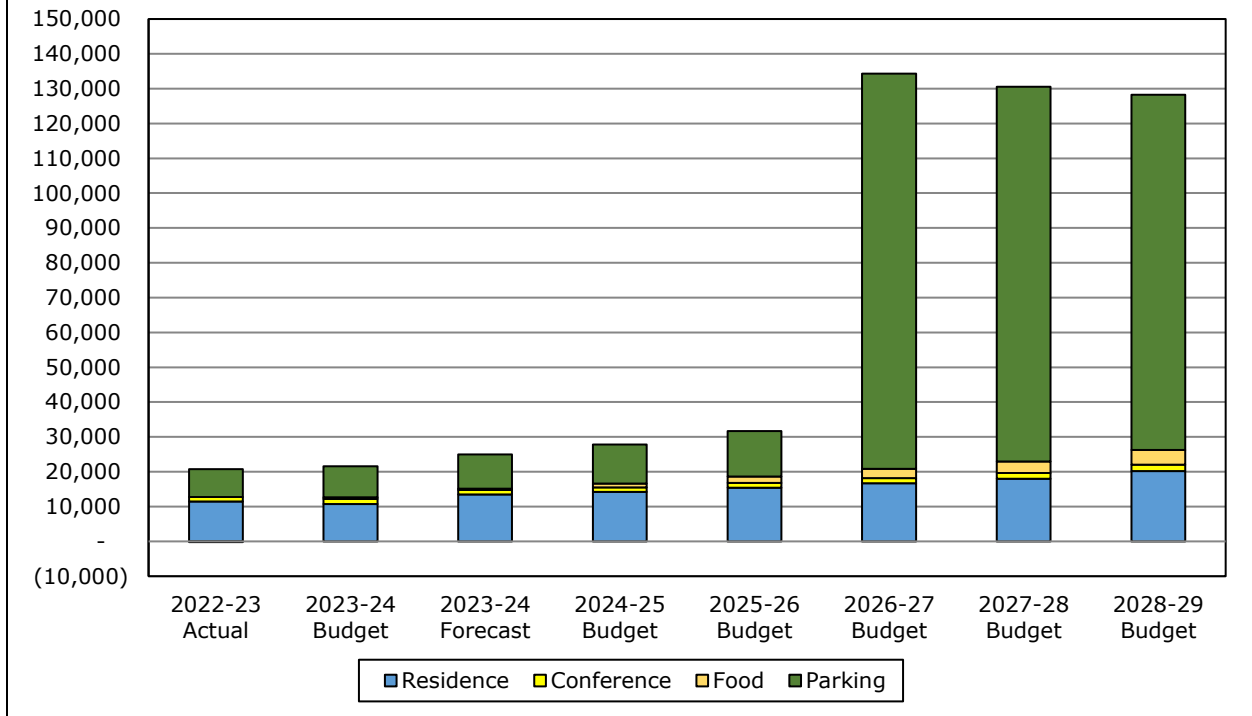
Net Assets represents the cumulative surpluses earned by the service ancillaries since their inception. Over time, net assets change due to net surpluses or deficits each year and transfers in and out of the ancillary.

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

- 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 2022-23 to 2028-29:

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



	2022-23 Actual	2023-24 Budget	2023-24 Forecast	2024-25 Budget	2025-26 Budget	2026-27 Budget	2027-28 Budget	2028-29 Budget
Residence	11,505	10,694	13,525	14,236	15,454	16,732	17,979	20,190
Conference	1,203	1,489	1,266	1,307	1,378	1,482	1,629	1,831
Food	(223)	437	380	1,085	1,830	2,578	3,369	4,204
Parking	8,038	8,941	9,835	11,202	12,991	113,489	107,563	102,062
Total	20,523	21,561	25,006	27,830	31,653	134,281	130,540	128,287

In 2023-24, the ancillaries are forecasting total net assets of \$25 million.

The 2024-25 operating plan projects total net assets of \$27.8 million, consisting of \$8.7 million in unrestricted surplus, \$2.7 million in operating reserves, \$5.5 million invested in capital assets, \$0.7 million capital renewal reserves, and \$10.3 million of new construction reserves.

**Service Ancillaries
Net Assets by Category
for the budget year 2024-25
(thousands of dollars)**

	Unrestricted Surplus/ (Deficit)	Operating Reserve	Invested in Capital Assets	Capital Renewal Reserve	New Construction Reserve	Total Net Assets
Residence	-	655	2,908	482	10,191	14,236
Conference	-	1,250	54	3	-	1,307
Food	-	564	337	86	98	1,085
Parking	8,676	215	2,201	110	-	11,202
Total	8,676	2,684	5,500	681	10,289	27,830

Net assets are projected to increase to \$128.0 million by 2028-29, an increase of \$100.0 million from 2024-25. This large projected increase is in Parking Services (\$91.0 million, mostly due to a large portion of the Retail and Parking Commons capital costs being funded by a contribution from the Operating Budget), Residence (\$6.0 million) and Food Services (\$3.1 million).

Ancillary Debt

For 2024-25, the ancillaries are projecting total outstanding debt of \$4.0 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 14% of the Residence ancillary's projected revenues. The interest portion of \$0.3 million is 3.2% of its revenue or 3.4% of its expenses.

The Parking ancillary is planning to obtain central debt of \$25.0 million in the 2026-27 year to help finance the capital costs of the Retail and Parking Commons.

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

	2022-23 Actual	2023-24 Forecast	2024-25 Budget	2025-26 Budget	2026-27 Budget	2027-28 Budget	2028-29 Budget
Residence	5,970	5,004	3,973	2,872	1,695	438	-
Conference	-	-	-	-	-	-	-
Food	-	-	-	-	-	-	-
Parking	-	-	-	-	24,618	24,207	23,768
Total Loan Balance	5,970	5,004	3,973	2,872	26,313	24,645	23,768

Review of UTSC Ancillary Operations

Student Housing and Residence Life

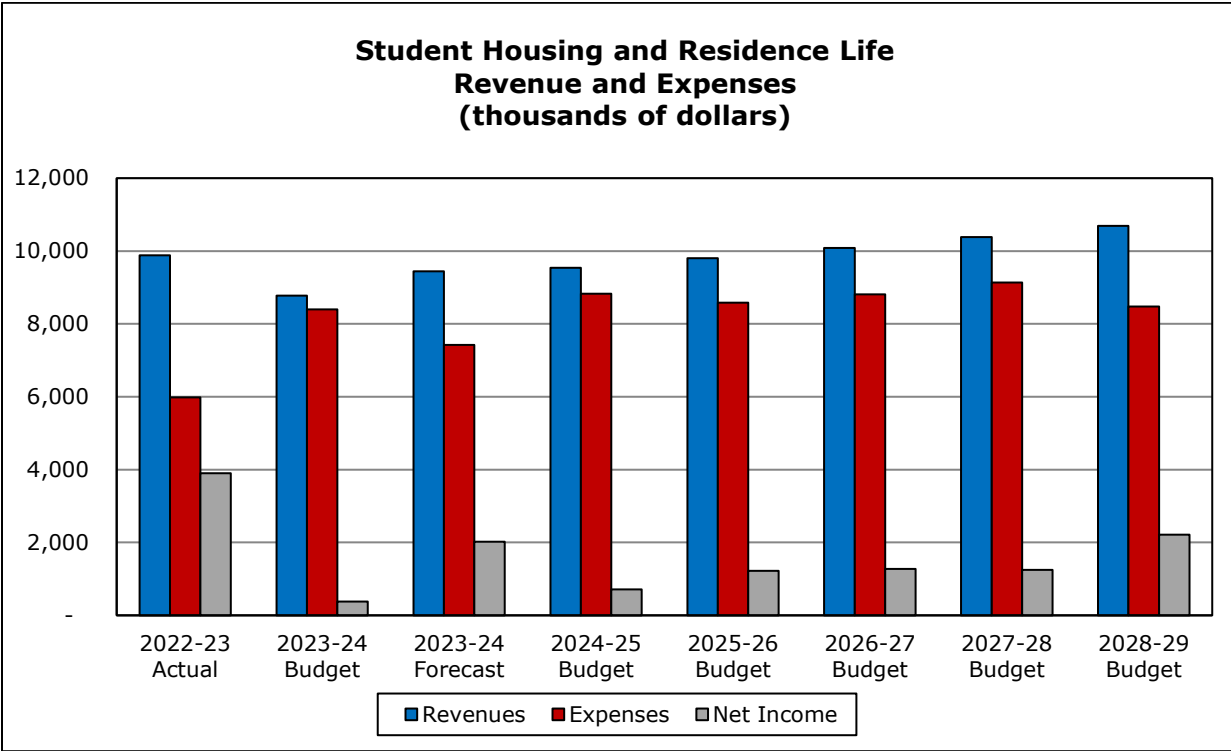
Student Housing and Residence Life (SHRL) is now offering 1,513 beds to students. The south residences provide 767 beds (single and double rooms) in 114 townhouses and 56 apartments. The North residence, Harmony Commons, provides 746 beds (super single, single and double rooms) in a traditional dormitory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

The opening of Harmony Commons allowed UTSC to accommodate roughly 80 additional first year students (beyond the first year housing guarantee) as a strategic enrolment initiative in consultation with the Office of the Registrar. This means SHRL no longer required off-campus rentals to meet the first year housing guarantee (for the first time since 2017, excluding COVID years).

The expanded housing capacity on campus has allowed SHRL to open housing for underserved populations; i.e. 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 2023-24 were:

- Opened and onboarded Harmony Commons, a 746 bed passive house traditional style residence. The building itself is exquisite and the housing team has done an incredible job bringing everything to life.
- Executed two move-in days for over 1,300 students.
- Created and hired a manager role to oversee residence operations and administration.
- Collaborated with Scarborough Campus Student Union (SCSU) and the Department of Student Life (SL) in aligning the campus orientation to create a seamless and inclusive program.
- Continued the Living Learning Communities, which is in high demand, where students are engaged in educational programming around three themes: Sustainability, Creative Expression, and Health & Wellbeing.
- Completed facilities projects, as follows:
 - Flooring replacement in Joan Foley Hall
 - Furniture replacement in Joan Foley Hall
 - Major maintenance and repairs of air conditioning units in Phases I-III
 - Roofing in Phase II
 - Replacement of bathtubs with Bathwall Liners in Phase II



	2022-23 Actual	2023-24 Budget	2023-24 Forecast	2024-25 Budget	2025-26 Budget	2026-27 Budget	2027-28 Budget	2028-29 Budget
Revenues	9,881	8,775	9,440	9,536	9,799	10,085	10,382	10,687
Expenses	5,980	8,400	7,420	8,825	8,580	8,808	9,134	8,476
Net Income	3,901	375	2,020	711	1,219	1,277	1,248	2,211
% Δ Revenue		-11%	8%	1%	3%	3%	3%	3%

2023-24 Forecast

Residence is forecasting net income of \$2.0 million in 2023-24, which is \$1.6 million more than budget. Total net assets are projected to be \$13.5 million.

Higher net income is mainly due to higher than anticipated occupancy as well as savings in salary costs due to vacant positions and a deferral of some major maintenance projects.

Starting this year, this ancillary is providing residence life services to Harmony Commons. A service fee of \$619K will be received from the LP as a recovery for

the additional staffing required for the front desk operations, residence life coordinators, and programming.

2024-25 Budget and Long Range Plan

Total revenues for 2024-25 are projected to be about the same as in the 2023-24 forecast. Fall / winter occupancy is expected to be stable; however, summer occupancy will be less than before, as most of the summer business will be transferred to Harmony Commons. Lower overall occupancy will be mostly offset by rate increases.

Residence rates are budgeted to increase in the range of 4.0% 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 \$1.4 million in capital expenditures. Of this amount, \$1.0 million is a placeholder budget for renovations of the townhouses, the details of which will be determined by the Housing Master Plan. In addition, major maintenance projects are planned for next year, including \$448K for maintenance work on the townhouses and a \$400K placeholder budget for renovations of Joan Foley Hall, as per the Housing Master Plan. Total net assets are projected to increase to \$14.2 million.

The capital budget of SHRL includes \$2.1M of capital expenditures at Joan Foley Hall over the next five years and sufficient annual repairs and maintenance to sustain the townhouse housing stock.

The additional capacity provided by the Harmony Commons residence provides an opportunity for UTSC to consider future options for its aging housing stock. Therefore, UTSC has undertaken a Housing Master Plan, including a building condition assessment of the current housing stock and a multi-year renovation and rebuilding plan, including estimated costs.

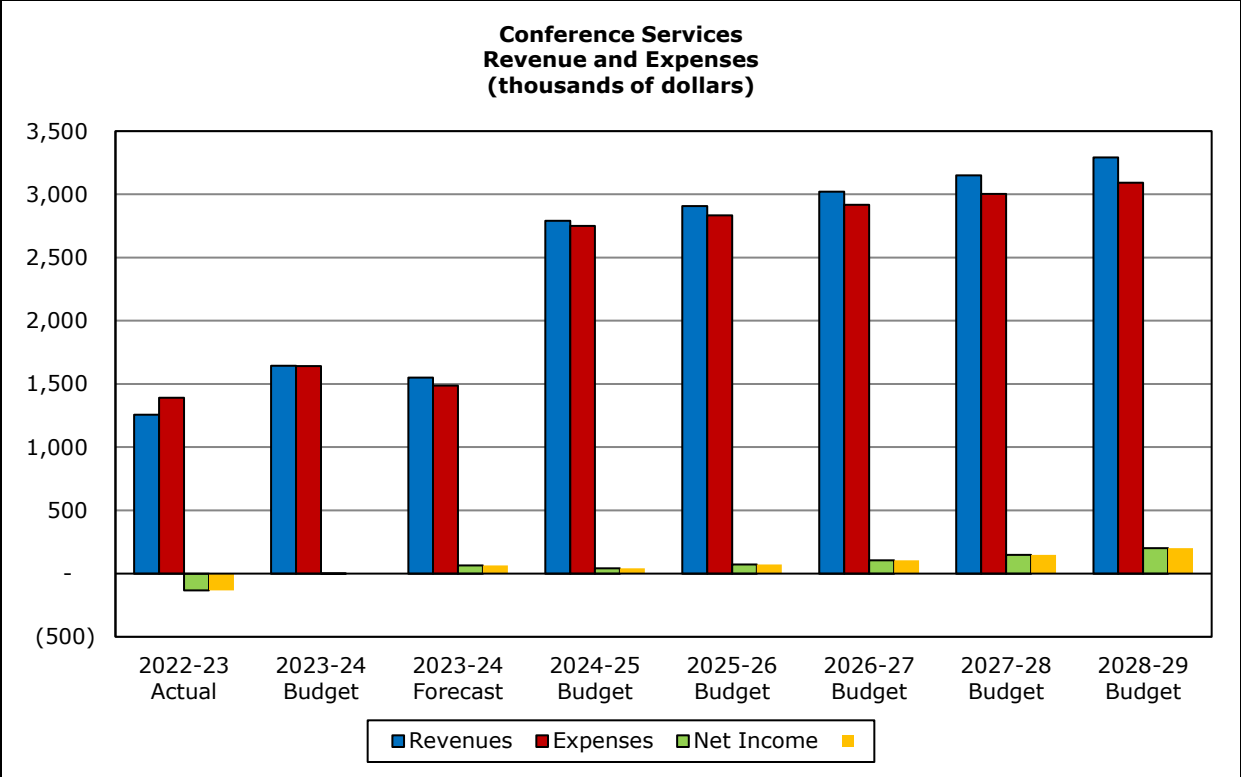
Conference Services

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.

UTSC's conference infrastructure has improved significantly with the opening of Highland Hall, which provides capacity for much larger conferences than before and which can also be used as a banquet facility, and Harmony Commons, which can provide a much enhanced accommodation facility. UTSC's facilities will improve even further with the opening of the Sam Ibrahim Building (SIB) in 2024.

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 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.



	2022-23 Actual	2023-24 Budget	2023-24 Forecast	2024-25 Budget	2025-26 Budget	2026-27 Budget	2027-28 Budget	2028-29 Budget
Revenues	1,258	1,643	1,550	2,791	2,906	3,022	3,150	3,293
Expenses	1,391	1,641	1,486	2,750	2,834	2,918	3,003	3,091
Net Income	(133)	2	64	41	72	104	147	202
% Δ Revenue		31%	-6%	80%	4%	4%	4%	5%

2023-24 Forecast

Conference Services is forecasting net income of \$64K. Total net assets will be \$1.3 million, consisting of \$64K invested in capital assets, a \$0.8 million operating reserve, a \$0.1 million new construction reserve, and a \$0.3 million unrestricted surplus.

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 a record attendance of 751 registrations.

2024-25 Budget and Long Range Plans

Conference Services is budgeting net income of \$41K in the 2024-25 year. Financial performance is expected to gradually improve over the remainder of the planning period, leveraging UTSC's new facilities at Highland Hall, Harmony Commons, and the Sam Ibrahim Building. Main sources of revenues continue to be the IAPI / Green Path program, conferences, partnership with Athletics and TPASC, and Camp UTSC.

Net assets are projected to remain at \$1.3 million, consisting of \$0.1 million invested in capital assets and \$1.2 million operating reserves.

By 2028-29, net assets are projected to be \$1.8 million, consisting of \$12K in capital assets, \$1.6 million in operating reserve, \$110K in capital renewal and new construction reserve and \$71K in unrestricted surplus.

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

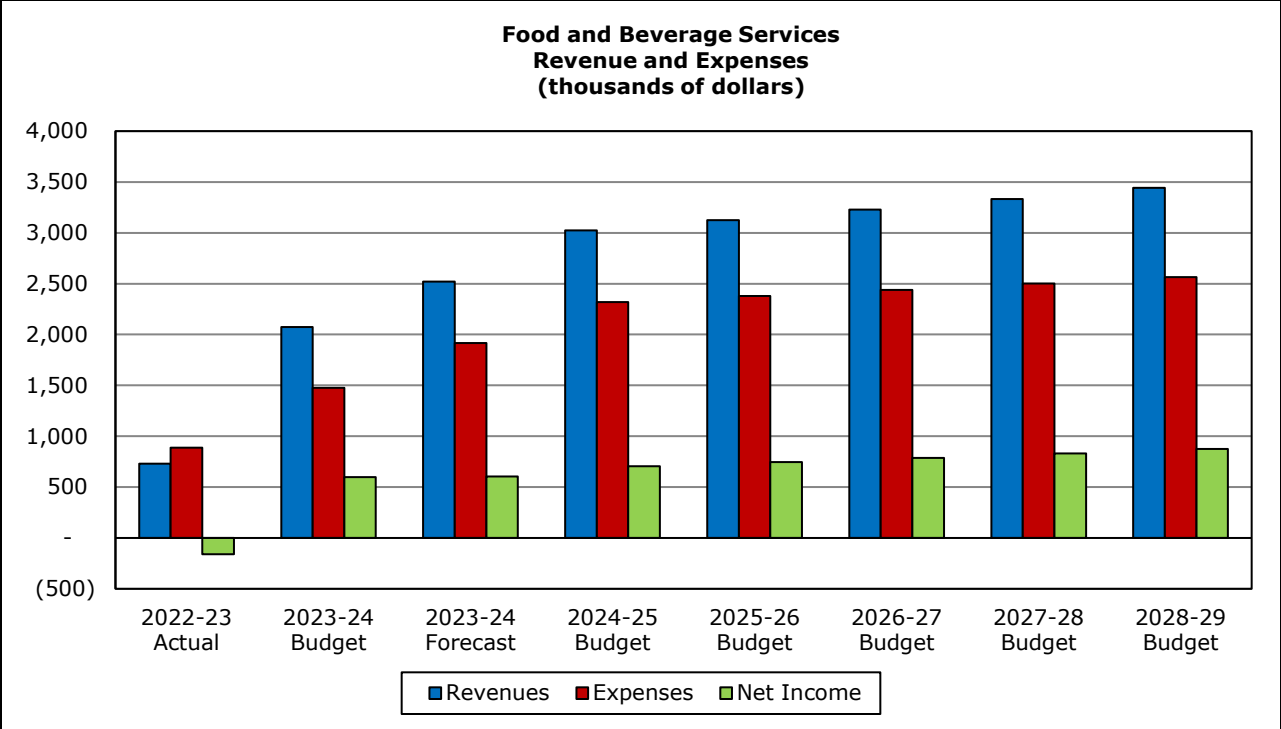
Food and Beverage Services oversees nine food retail operations in the H-Wing Marketplace, a Starbucks Café, and a Tim Hortons outlet, all on the south campus. This year, a dining hall in Harmony Commons has been opened, offering an all-access meal plan for students. There is also a unit leased to an external operator, La Prep Café, in the Instructional Centre.

Operations in the H-Wing Marketplace, Starbucks, Tim Hortons, and the dining hall are contracted out to Aramark. Last year, UTSC entered into a new agreement with Aramark, covering 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 a number of programs in recent years. These include the bottle-free water initiative, the halal standards program, and encouraging the sourcing of locally produced products.

In order to meet the needs of a diverse campus community, changes have been made in recent years to reflect the 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.



	2022-23 Actual	2023-24 Budget	2023-24 Forecast	2024-25 Budget	2025-26 Budget	2026-27 Budget	2027-28 Budget	2028-29 Budget
Revenues	729	2,075	2,520	3,024	3,124	3,227	3,332	3,441
Expenses	888	1,476	1,917	2,318	2,379	2,439	2,501	2,566
Net Income	(159)	599	603	706	745	788	831	875
% Δ Revenue		185%	21%	20%	3%	3%	3%	3%

2023-24 Forecast

Food and Beverage Services is forecasting net income of \$0.6 million. Total net assets are projected to be \$0.4 million by April 2024.

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.

2024-25 Budget and Long Range Plans

The ancillary is budgeting to record a net income of \$0.7 million in 2024-25.

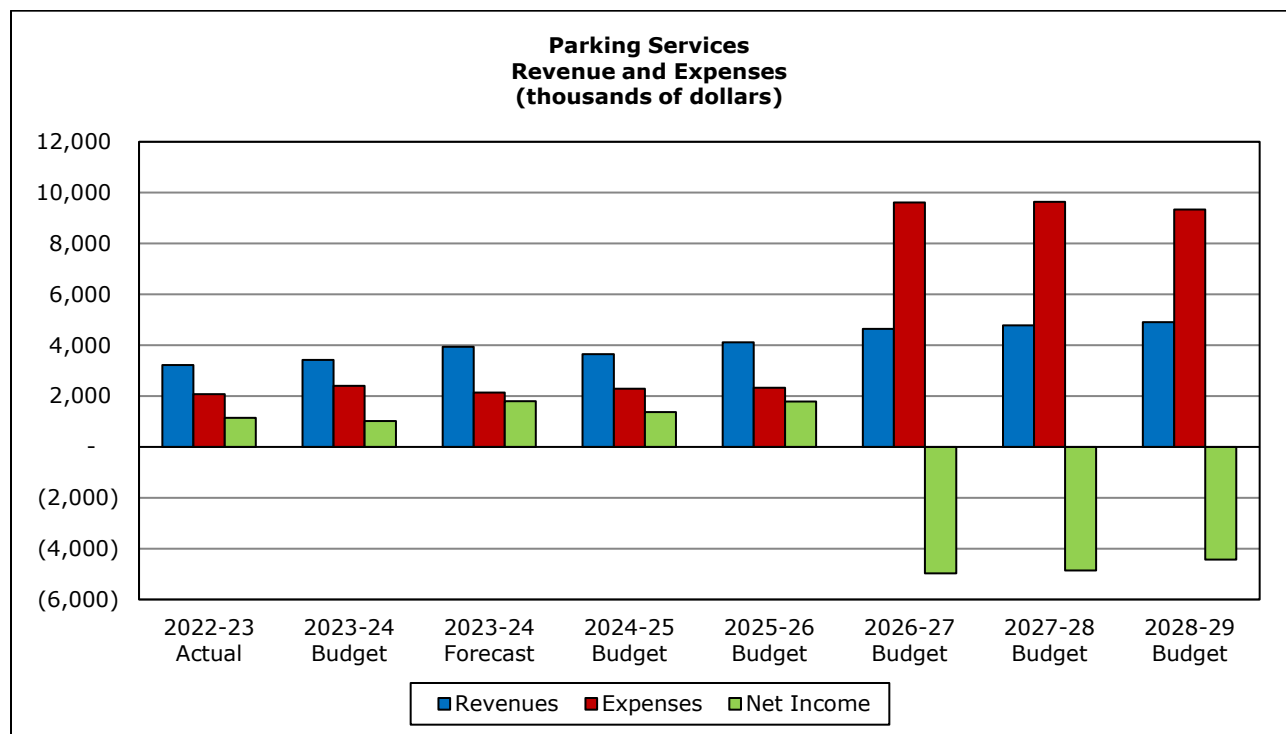
Net assets are projected to be \$1.1 million by 2024-25, consisting of \$0.34 million invested in capital assets, \$0.6 million in operating reserves and \$0.2 million in capital renewal and new construction reserve.

Net assets are expected to be \$4.2 million by 2028-29 consisting of \$0.14 million invested in capital assets, \$0.64 million in operating reserve, \$1.3 million in capital renewal and new construction reserve and the remaining \$2.1 million in unrestricted surplus.

New food outlets will be added in the Sam Ibrahim (SIB) and SAMIH buildings when they open during the latter years of the planning period. Budget implications will be modelled when more information becomes available.

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 1,609 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.



	2022-23 Actual	2023-24 Budget	2023-24 Forecast	2024-25 Budget	2025-26 Budget	2026-27 Budget	2027-28 Budget	2028-29 Budget
Revenues	3,219	3,420	3,934	3,654	4,120	4,640	4,785	4,907
Expenses	2,071	2,401	2,137	2,287	2,331	9,611	9,642	9,340
Net Income	1,148	1,019	1,797	1,367	1,789	(4,971)	(4,857)	(4,433)
% Δ Revenue		6%	15%	-7%	13%	13%	3%	3%

2023-24 Forecast

Parking is forecasting net income of \$1.8 million, which is \$0.78 million higher than budget. Total net assets are projected to be \$9.8 million.

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 continued pandemic-related uncertainty and also due to hybrid work arrangements, which makes traditional permits less attractive for some users. In addition, there are cost savings from planned maintenance projects that were not done during the year.

2024-25 Budget and Long Range Plan

Parking Services is budgeting a \$1.4 million surplus in 2024-25. This includes a 10% parking permit rate increase. Annual rate increases of 10% will continue until the 2025-26 year and fall to 3% thereafter. These increases are required to support operations and help pay for the debt service costs and depreciation expenses of the new Retail and Parking Commons, starting in the outer years of the planning period.

UTSC is constructing a new parking structure, the "Retail and Parking Commons", to replace surface parking being lost due to the construction of new buildings on the north campus and to maintain compliance with the City of Toronto parking by-law. The project cost is \$132 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.

Construction is set to begin in early 2024. It is projected to open at the beginning of the 2026-27 year. The budget model includes the revenues, operating expenses, debt service costs, and depreciation expenses, beginning in the 2026-27 year.

Net assets are projected to be at \$11.2 million in 2024-25, consisting of \$2.2 million invested in capital assets (ICA), \$0.11 million capital renewal reserve, a \$0.2 million operating reserve, and \$8.7 million in unrestricted surplus. Net assets are projected to be \$102 million by 2028-29 due to 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 2022-23, the forecast for 2023-24, and projections for the five year period, 2024-25 to 2028-29. Only the proposed budget for 2024-25 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 2023. Members supported the plans for the 2024-25 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 an annual meeting 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 persons 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, 2025
 (with comparative projected results for the year ending April 30, 2024)
 (thousands of dollars)

	Revenue	Expense	Net Income before Transfers	Transfers in/(out)	Net Income after Transfers 2024-25	Net Income after Transfers 2023-24
Residence	9,536	8,825	711	-	711	2,021
Conference	2,791	2,750	41	-	41	63
Food	3,024	2,318	706	-	706	603
Parking	3,654	2,287	1,367	-	1,367	1,797
Total	19,005	16,180	2,825	-	2,825	4,484

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 2024-25 1 2 3 4				2024-25					2024-25	2026-27	2028-29
					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
Residence	Yes	Yes	Yes	No	-	2,908	482	655	10,191	14,236	16,732	20,190
Conference	Yes	Yes	Yes	No	-	54	3	1,250	-	1,307	1,482	1,831
Food	Yes	Yes	Yes	No	-	337	86	564	98	1,085	2,578	4,204
Parking	Yes	Yes	Yes	No	8,676	2,201	110	215	-	11,202	113,489	102,062
Total					8,676	5,500	681	2,684	10,289	27,830	134,281	128,287

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, 2024	Net Increase / (Decrease) in Commitments to Capital Renewal	Projected Balance April 30, 2025	Projected Balance April 30, 2029
Residence	473	9	482	398
Conference	3	-	3	1
Food	-	86	86	43
Parking	135	(25)	110	5,838
Total	611	70	681	6,280

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, 2024	Increase / (Decrease) in Operating Reserve	Projected Balance April 30, 2025	Projected Balance April 30, 2029	Projected Balance May 1, 2024	Increase / (Decrease) in Construction Reserve	Projected Balance April 30, 2025	Projected Balance April 30, 2029
Residence	645	10	655	734	10,652	(461)	10,191	13,372
Conference	775	475	1,250	1,647	100	(100)	-	100
Food	9	555	564	642	-	98	98	1,250
Parking	232	(17)	215	289	-	-	-	2,948
Total	1,661	1,023	2,684	3,312	10,752	(463)	10,289	17,670

University of Toronto Scarborough
Service Ancillaries Operating Budget Summary
Projected Annual Operating Results
for the years ended April 30, 2024 through April 30, 2029
(thousands of dollars)

Service Ancillary	2023-24 Forecast			2024-25 Budget			2025-26 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	2,020	-	2,021	711	-	711	1,219	-	1,219
Conference	64	-	63	41	-	41	72	-	72
Food	603	-	603	706	-	706	745	-	745
Parking	1,797	-	1,797	1,367	-	1,367	1,789	-	1,790
Total	4,484	-	4,483	2,825	-	2,825	3,825	-	3,826

Service Ancillary	2026-27 Budget			2027-28 Budget			2028-29 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	1,277	-	1,277	1,248	-	1,248	2,211	-	2,211
Conference	104	-	104	147	-	147	202	-	202
Food	788	(40)	748	831	(40)	790	875	(40)	835
Parking	(4,971)	105,469	100,499	(4,857)	(1,068)	(5,926)	(4,433)	(1,068)	(5,501)
Total	(2,802)	105,429	102,628	(2,631)	(1,108)	(3,741)	(1,145)	(1,108)	(2,253)

University of Toronto Scarborough
Service Ancillaries Operating Budget Summary
Summary of 2024-25 Capital Budgets
(with comparative figures for 2023-24)
(thousands of dollars)

	2024-25 Budget	2023-24 Budget
Residence	1,412	443
Conference	-	250
Food	61	129
Parking	130	1,375
Total	1,603	2,197

**University of Toronto Scarborough
Service Ancillaries Operating Budget Summary
Schedule of 2024-25 Ancillary Rates**

**UNIVERSITY OF TORONTO SCARBOROUGH
STUDENT HOUSING AND RESIDENCE LIFE
SCHEDULE OF RATES**

<u>DESCRIPTION</u>	<u>2023-24</u>	<u>% Change</u>	<u>2024-25</u>	<u>Inc. / (Dec.) per Month</u>
SOUTH RESIDENCES				
<i>Fall/Winter Rates</i>				
Phase I - III single	\$ 10,771	6.0%	\$ 11,417	\$ 80.78
Phase I - Small Room (I Room)	\$ 9,700	4.0%	\$ 10,088	\$ 48.50
Phase IV single	\$ 11,931	6.0%	\$ 12,647	\$ 89.49
Phase I shared	\$ 8,322	4.5%	\$ 8,697	\$ 46.81
Phase I shared basement	\$ 7,490	4.5%	\$ 7,827	\$ 42.13
Phase IV Shared	\$ 8,980	4.0%	\$ 9,340	\$ 44.90
<i>Summer Rates</i>				
Phase I-III (academic term May 8 - August 27)	\$ 5,078	3.0%	\$ 5,230	\$ 38.08
Visitor Weekly Rate	\$ 317	29.0%	\$ 409	
Visitor 8-week Rate			\$ 2,844	
Ph IV-Foley Hall (academic term May 8 - August 27)	\$ 5,442	5.0%	\$ 5,714	\$ 68.02
Visitor Weekly Rate	\$ 340	32.0%	\$ 449	
Visitor 8-week Rate			\$ 3,129	

**UNIVERSITY OF TORONTO SCARBOROUGH
PARKING SERVICES
SCHEDULE OF RATES**

DESCRIPTION	LOT	2023-24	2024-25	% Change	\$ Change per		NOTES
		Approved	Proposed		mo.		
PERMITS:							
<u>South Lots:</u>							
Annual, South Lots C, D Employee Premium	C, D	\$1,880.26	\$2,068.29	10.0%	or...	\$ 15.67	...per month
Annual, South Lot B ("Ring Road") Employee Summer Term	B	\$1,692.25	\$1,861.47	10.0%	or...	\$ 14.10	...per month
Residence, Fall/Winter Term	C, D	\$376.08	\$413.68	10.0%	or...	\$ 9.40	...per month
Residence, Winter Term	C, D	\$1,331.16	\$1,464.28	10.0%	or...	\$ 16.64	...per month
Residence, Summer Term	C, D	\$745.45	\$820.00	10.0%	or...	\$ 18.64	...per month
Evening Payroll, Employee Annual	C, D	\$332.81	\$366.09	10.0%	or...	\$ 8.32	...per month
	C, D	\$867.88	\$954.67	10.0%	or...	\$ 7.23	...per month
<u>North Lots:</u>							
Annual North Lot, Premium (Lot K)	K	\$1,880.26	\$2,068.29	10.0%	or...	\$ 15.67	...per month
Annual North Lot, Payroll Employee	G, H, J	\$1,446.39	\$1,591.03	10.0%	or...	\$ 12.05	...per month
Student, Fall/Winter	G, H, J	\$1,156.26	\$1,271.89	10.0%	or...	\$ 14.45	...per month
Monthly Student North Lot Permit	G, H, J	\$161.88	\$178.06	10.0%	or...	\$16.19	...per month
Fall or Winter Term	G, H, J	\$647.51	\$712.26	10.0%	or...	\$ 16.19	...per month
Summer Term	G, H, J	\$290.13	\$319.14	10.0%	or...	\$ 7.25	...per month
Centennial Permit (September to May)	G, H, J	\$1,156.26	\$1,271.89	10.0%	or...	\$ 14.45	...per month
Centennial Fall or Winter Term Permit	G, H, J	\$647.51	\$712.26	10.0%	or...	\$ 16.19	...per month
Centennial Summer Permit	G, H, J	\$290.13	\$319.14	10.0%	or...	\$ 7.25	...per month
							A
							A
							A
CASH PARKING:							
<u>South Lots:</u>							
Peak period hourly rate	A	\$ 4.84	\$ 5.30	9.6%			
Flat Rate, Evening		\$ 8.47	\$ 9.30	9.8%			
Flat Rate, Weekend		\$ 8.47	\$ 9.30	9.8%			
Summer conference - daily rate		\$ 7.26	\$ 7.99	10.0%			
Summer conference - youth bed rate		\$ 1.75	\$ 1.93	10.0%			
<u>Instructional Center Lot K: Currently Permits Only, Closed during Construction 2023-24</u>							
Flat Rate, Day	K	\$ 19.36	\$ 21.20	9.5%			B
Flat Rate, Evening		\$ 8.47	\$ 9.30	9.8%			
Flat Rate, Weekend		\$ 8.47	\$ 9.30	9.8%			
<u>Lots F, G and H (North Lots):</u>							
Flat Rate, Day	F, G, H	\$ 12.10	\$ 13.30	9.9%			
Flat Rate, Evening		\$ 7.26	\$ 8.00	10.1%			
Flat Rate, Weekend		\$ 6.05	\$ 6.65	9.8%			
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.							

**UNIVERSITY OF TORONTO SCARBOROUGH
FOOD AND BEVERAGE SERVICES
SCHEDULE OF RATES**

<u>DESCRIPTION</u>	<u>2023-24</u>	<u>% Change</u>	<u>2024-25</u>	<u>Inc. / (Dec.)</u>
<u>Fall / Winter</u>				
5-Day All Access Meal Plan	\$ 5,700	3.0%	\$ 5,871	\$ 171
7-Day All Access Meal Plan	\$ 6,000	3.0%	\$ 6,180	\$ 180
<u>Summer</u>				
5-Day All Access Meal Plan	\$ 2,850	3.0%	\$ 2,936	\$ 86
7-Day All Access Meal Plan	\$ 3,000	3.0%	\$ 3,090	\$ 90