

**UNIVERSITY OF TORONTO**  
**THE GOVERNING COUNCIL**  
**REPORT NUMBER 64 OF**  
**THE PLANNING AND BUDGET COMMITTEE**

**October 18, 2000**

To the Academic Board,  
University of Toronto.

Your Committee reports that it met on Wednesday, October 18, 2000 at 5:00 p.m. in the Council Chamber, Simcoe Hall, with the following members present:

Professor David Mock (In the Chair)  
Professor Ronald D. Venter (Vice-Chair)  
Dr. Robert J. Birgeneau, President  
Professor Adel S. Sedra,  
Vice-President and Provost  
Professor Michael Finlayson, Vice-  
President, Administration and Human  
Resources  
Professor Derek McCammond,  
Vice-Provost, Planning and Budget  
Mr. Muhammad Basil Ahmad  
Professor Carl Amrhein  
Mr. Brian C. Burchell  
Professor W. Raymond Cummins  
Mr. Brian Davis  
Professor Ruth M. Gallop  
Professor Avrum I. Gotlieb  
Professor Angela Hildyard  
Professor Bruce Kidd

Professor Robert H. McNutt  
Mr. Fayez A. Quereshy  
Professor Nancy Reid  
Ms Wendy Talfourd-Jones  
Professor Fred Wilson  
Professor Linda Wilson-Pauwels

**Non-Voting Assessors:**

Ms Audrey Cheung, Acting Vice-President,  
Research and International Relations  
Professor Carolyn Tuohy, Deputy Provost

**Secretariat:**

Mr. Neil Dobbs  
Ms Susan Girard  
Ms Margaret McKone

**Regrets:**

Mr. Ljupco Gjorgjinski  
Professor Susan Horton  
Professor Kenneth Sevcik

**In Attendance:**

Ms Sheila Brown, Controller and Director of Finance  
Professor John Browne, Director of Residence Development  
Mr. Ken Burke, Chief Administrative Officer, OISE/UT  
Ms Christine Capewell, member, Audit Committee; Director, Business Services, University  
of Toronto at Mississauga  
Mr. Louis Charpentier, Secretary of the Governing Council  
Professor David Clandfield, Principal, New College  
Dr. Beata FitzPatrick, Assistant Provost  
Ms Manon LePaven, President, Association of Part-time Undergraduate Students  
Professor Rhonda Love, President, University of Toronto Faculty Association  
Ms Gail Milgrom, Senior Planning and Budget Officer, Space Analysis

**In Attendance:** (cont'd)

Professor Anne Millar, former Associate Dean, OISE/UT  
Miss Janice Oliver, Assistant Vice-President, Operations and Services  
Professor Larry Richards, Dean, Faculty of Architecture, Landscape, and Design  
Ms Elizabeth Sisam, Director, Campus and Facilities Planning

THE MEETING WAS HELD IN OPEN SESSION. ITEMS 4, 5, 6, 7 AND 8 ARE RECOMMENDED FOR APPROVAL.

**1. Report of the Previous Meeting - Report Number 63 (July 25, 2000)**

Report Number 63 was corrected on page 10, item 7, "Discontinuation of Programs." The final sentence, stating that "the motion was carried unanimously," was deleted.

Report Number 63 (July 25, 2000), as amended, was approved.

**2. Business Arising from the Report of the Previous Meeting**

The Chair recalled that the Provost had undertaken to provide the Committee with a report on physical accessibility. Professor Sedra said that the report was becoming a significant document, requiring substantial preparation time. It would be distributed as soon as it was ready. Miss Oliver anticipated that the report would be available for the Committee's next meeting.

**3. Senior Assessor's Report**

The Provost reported on the following matters.

**(a) "Raising Our Sights" Planning Process**

Professor Sedra recalled that the Committee had, at its previous meeting on July 25, 2000, received the academic plans of several divisions and had approved allocations from the Academic Priorities Fund (A.P.F.) based on those plans. At the next meeting Professor Sedra would forward the plans of the health sciences divisions and would recommend further A.P.F. allocations. He hoped that the process would be largely completed by the end of this academic year.

**(b) Canada Research Chairs**

Professor Sedra recalled that the Committee had recommended, and the Governing Council had approved, a framework for the allocation of the Canada Research Chairs and a strategic research plan within which allocations would be made. The University had submitted 40 nominations to the Government of Canada. They would, pursuant to the terms of the program, undergo a peer review process, and Professor Sedra anticipated a response by the end of the calendar year. The University of Toronto's allocation for the first year of the program was 45 chairs. The universities would have two other opportunities to submit further nominations in the current academic year, one in December and a second in March. The Government had received a total of 219 nominations. Of those, most were for faculty already at their respective universities. Only a minority of applications were for new appointees. The executive director of the program had indicated that such a response had been expected. The tight deadlines for the first round had left little time for external

**3. Senior Assessor's Report (cont'd)****(b) Canada Research Chairs (cont'd)**

searches. Therefore, the University of Toronto's slate of nominations, including 37 current positions out of a total of 40 nominations, was not at all atypical. In response to a question, Professor Sedra said that 450 of the 2,000 Canada Research Chairs were to be allocated in the first year of the program.

Professor Sedra reported that the executive director of the program had remarked that the University of Toronto's *Framework* document was a very good one, worthy of emulation. The favourable reception of the document would not, however, assure positive responses to the nominations, which were subject to peer review. In response to a question, Professor Sedra said that the positive response to the University of Toronto's submission did acknowledge the financing model. The Government's objective was to assist the universities' research efforts; it did not wish to impose new costs. In response to another question, Professor Sedra said that all of the other large universities had adopted an approach to financing that was similar to that adopted by the University of Toronto.

**(c) Enrolment Expansion**

Professor Sedra reminded the Committee that the Government of Ontario had requested that the universities submit draft enrolment-expansion plans by the middle of August. The University of Toronto had done so, based on the Government's assumption of a Province-wide increase of 89,000 students over the next ten years and on the expectation of funding to provide the facilities required to accommodate those students. The universities had then been asked to submit final plans by September 29, 2000. A copy of the University of Toronto's submission had been included with the agenda package for today's meeting. The current submission was, however, based on the Government's new objective to add only 58,000 more university places by 2005-06. That number had been reduced from the previous 89,000 additional places because the Government had concluded that the participation rate would be lower than had been previously anticipated. (The earlier projection had been based on a consultant's study.)

The Government had asked also that the universities make their submissions on the assumption that the Government would provide no further capital funding for new facilities. That provision had come as a surprise, representing an apparent change of direction. The President and Professor Sedra had met with the Assistant Deputy Minister, who had explained that the Ministry of Training, Colleges and Universities was seeking to arrive at a province-wide figure for an enrolment increase that could be accommodated without additional facilities. Only then would it make sense for the Province to consider building new facilities. The University of Toronto had responded that it would be able to accommodate only an additional 4,000 students without new capital funding for additional facilities (beyond the additional funding already committed under the SuperBuild program). That number included the additions already agreed for the Faculty of Pharmacy and the new Centre for Culture, Communications and Information Technology at the University of Toronto at Mississauga.

The universities were permitted to include an addendum outlining enrolment increases in the event that the Government would indeed provide capital funding for additional facilities, and the University of Toronto had done so. Given the reduced number of new places Province-wide being sought by the Government, the University's submission, based on the assumption of new capital funding, had ceased to project the doubling of enrolment at the Mississauga and Scarborough campuses. Rather, it projected 50 percent enrolment increases at each campus, along with a corresponding increase in graduate enrolment that would maintain the current balance between undergraduate and graduate students. A provincial Working Group on

### 3. Senior Assessor's Report (cont'd)

#### (c) **Enrolment Expansion** (cont'd)

University Capacity was currently meeting to consider the universities' submissions. Professor Sedra stressed that in the absence of additional capital funding, the University of Toronto would adhere to the plan to accommodate only an additional 4,000 students.

Professor Sedra noted that the capital funding already provided for post-secondary expansion under the SuperBuild program appeared to have been allocated on the basis of political expediency rather than demographic reality. While it was projected that 60 percent of the increased demand for post-secondary places would originate from the greater Toronto area, only 40 percent of the funding had been provided to institutions in that area. Professor Sedra also expressed concern that time was becoming short for action to accommodate the double cohort and the demographic increase, and the Province had not yet reached any decision to fund further facilities to do so. This was a matter that should be of great concern to the Province and to all of its universities.

Professors Sedra and McCammond responded to a number of questions. Among their responses were the following.

- **Occupational and Physical Therapy.** A member observed that in the absence of capital funding, enrolment in the undergraduate occupational therapy and physical therapy programs would change very little. With new capital funding, however, it would decline to zero. Professor McCammond explained that additional capital funding would permit the University to accommodate the increased number of faculty required for the University to proceed with its plan to eliminate the undergraduate programs in those areas and to replace them with professional master's programs.
- **Details in the enrolment expansion spreadsheets.** In response to a member's question, Professor McCammond said that the details of program-by-program enrolment and faculty expansion, which formed part of the submission, were intended to be illustrative only, based on anticipated increases of current enrolment and current faculty:student ratios. Completion of the detailed planning would await the Government's decision on funding expansion.

Discussion focused on the following topics.

**(a) University response.** A member said that many members of the University were frustrated at the University's inaction in response to the forthcoming double cohort. Was it true that the University had done everything it had been asked to do by the Province and that the University was, of necessity, now awaiting decisions from the Province? Professor Sedra replied that the University had complied with all requests for plans. It was participating in the Province's Working Group on University Capacity. The University had always made it clear that it would be willing and indeed eager to participate in the provision of additional university spaces, provided that it could do so while continuing to improve the quality of education for each student. The University would become increasingly proactive, presenting to the Government - both to elected members and officials - the exciting opportunities that could be made available to Ontario students through enrolment expansion at the University of Toronto. That strategy would emulate the University's earlier, successful action in presenting four projects to the Government before its announcement of the SuperBuild program. To that end, Professor Sedra had asked the Principals of the Mississauga and Scarborough campuses to proceed with the development of plans for 50 percent expansions, including both proposals for new programs and new facilities.

### 3. Senior Assessor's Report (cont'd)

**(b) Operating funding.** A member referred to the statement in the President's letter to the Assistant Deputy Minister providing the assurance that "we will of course honour our existing obligations for growth under the SuperBuild program." Among those commitments was the accommodation of an additional 1200 students at the Mississauga campus. The member was very concerned that there had been no mention of the University's requirement of additional operating funding as a condition of "honouring our existing obligations for growth." The member and Principal McNutt stressed that the issue was a very important one at the Mississauga campus, which would find it very difficult to accommodate that large number of additional students without full average-cost funding, rather than marginal-cost funding, for them. Indeed, the approval of the plan to add enrolment had been approved by the Erindale College Council on the explicit condition of full funding being provided. Professor Sedra and Professor McCammond replied that while the current discussion was centred around additional capital funding, the University had made it clear to the Government in its various submissions, including its submission to request SuperBuild funding, that it would proceed with enrolment expansion only on the basis of full funding at average cost. There was little doubt that the Government would supply additional operating funding for the expanded enrolment. It might, however, seek to negotiate for funding at something less than average cost. The precedents had been for full average funding in the cases of enrolment expansion in Education and Medicine, and the University would accept nothing less at this time.

The member noted that plans were proceeding to construct the new facilities funded by the SuperBuild grant. Would those buildings remain idle if the Province declined to provide adequate operating funding and the University therefore declined to increase enrolment? Professor Sedra replied that the University could make very good use of those facilities with the existing student enrolments.

A member noted that the Province had made a firm commitment with respect to operating funding for additional students under the Access to Opportunities Program (ATOP), designed to expand enrolment in Computer Science, Computer Engineering and related fields of Engineering. Professor McCammond agreed. The ATOP case was unique, however, in that the participating universities were not obliged to increase overall enrolment. They could, if they wished, reduce enrolment in other fields to accommodate the increased enrolment in the computer-related areas.

### 4. Capital Project: Bahen Centre for Information Technology - Change of Scope

The Chair noted that this was the first of four proposals for capital projects on the agenda. Under its terms of reference, the Planning and Budget Committee was asked to consider reports of users' committees and to recommend to the Academic Board that projects be approved in principle. The four elements upon which it made its recommendations were: site, space plan, cost, and sources of funds. In all cases at this meeting, the Committee was also being asked to recommend the approval of University funding for a part of the building cost. In the case of the two academic buildings, the source of funding proposed was the University Infrastructure Investment Fund. For the student residence projects, the proposed sources were a mortgage to be serviced by room rentals and the Academic Priorities Fund.

The Chair reminded members that the Governing Council had already approved the Bahen Centre project. It was before the Committee again at this time because further approval was required for (a) an increase in the scope, space plan and cost of the project, and (b) additional funding from the University Infrastructure Investment Fund.

**4. Capital Project: Bahen Centre for Information Technology - Change of Scope** (cont'd)

Professor McCammond recalled that the Users' Committee Report for the Centre for Information Technology had been approved in November 1999. It had been decided to complete the project using sequential tenders (rather than a general contract) in an effort to advance the opening date. Indeed, some of the 1,520 additional undergraduate and 166 additional graduate students in information-technology programs were already enrolled in their first year of study, and the remainder of the expansion would take place over the next two years. In the course of the detailed design process, four factors had become evident. First, because of the complexity of the site, including the need to retain and include in the design, the historically designated house at 44 St. George Street, it had been necessary to add additional space, bringing the net to gross ratio beyond the usual 1.8 appropriate for most buildings on campus. That would cost an additional \$5.02-million. Second, the building envelope approved by the City of Toronto would permit the inclusion of an additional 1,900 net assignable square metres (nasm) in the project. Because of the growing shortage of research space on the St. George Campus, it had become clear that it would be imprudent not to make maximum use of the building envelope. It was proposed, therefore, to add the additional 1,900 nasm. That would be achieved by the addition of a shelled-in sixth floor at a cost of \$5.2-million. It was anticipated that the cost would be paid by future grants for research-infrastructure space from the Canada Foundation for Innovation and the Ontario Research and Development Challenge Fund. Third, the project provided the opportunity to establish upgraded chiller facilities not only for the Bahen Building but also for a number of surrounding buildings including the Lash Miller Chemical Laboratories, the McLennan Physical Laboratories and a possible new building on the site of the present Faculty of Nursing building. The existing chillers were thirty years old and well past their recommended service life. By combining the replacements, and building in room for additional capacity in the future, the University would achieve substantial savings in both construction and operating costs. The additional cost of the chiller plant was estimated to be \$2.27-million, to be funded from the Government of Ontario's Facilities Renewal Program. Fourth and finally, there had been substantial inflation in construction costs in the Toronto area over the past several months at a rate of between one-half and three-quarters of a percent per month. The cost of the inflation escalation was an estimated \$4-million. The outcome was a total project cost of \$104.63-million.

Funding for the additional costs would come from a variety of sources. As noted, the additional \$2.27-million cost of the chiller facility would be met by the Ontario Government's Facilities Renewal Program, which was the source of funding for such costs. It was anticipated that the additional \$5.2-million cost of the shelled-in sixth floor would be paid by future grants from the Canada Foundation for Innovation and the Ontario Research and Development Challenge Fund. In the meanwhile, it was recommended that the cost be met from the University Infrastructure Investment Fund. The additional costs for the expanded scope of the project and the inflation in construction prices were being assigned to the occupants of the Building, the Faculty of Applied Science and Engineering and the Faculty of Arts and Science. Those Faculties were seeking to raise a further \$21.75-million in private funding. As a back-up, that amount would be financed, with the two Faculties being responsible for the costs of debt service.

Professor McCammond reviewed the overall sources of funding for the building. In addition to the chiller plant and the shelled-in sixth floor, the building would have two primary uses. The first was the part of the building required to handle the enrolment expansion under the Province's Access to Opportunities Program. The \$81.59-million of funding for that part of the building was as follows, expressed in millions of dollars:

**4. Capital Project: Bahen Centre for Information Technology - Change of Scope** (cont'd)

• Donations secured to date	\$15.63
• Government matching funding under ATOP	10.18
• Government funding under the SuperBuild program	24.03
• University funding for Quality Improvement and Replacement Space	10.00
• Remaining funding to be raised from donations	21.75

The second part of the building was the Advanced Technology Research Centre. Its \$15.58-million cost was to be funded as follows, again expressed in millions of dollars:

• University contribution	\$2.67
• Canada Foundation for Innovation	2.43
• Ontario Research and Development Challenge Fund	7.11
• Ontario Innovation Trust	3.27
• Private sector	0.10

In response to a question from a member who was seeking to reconcile the previous and proposed sources of funding, Professor McCammond noted that the project, as previously approved by the Governing Council, also had a funding shortfall that was planned to be covered by private donations. Since that time, the Faculty of Applied Science and Engineering and the Faculty of Arts and Science had succeeded in raising a further \$6-million of private support for the project.

Questions and discussion focused on the following matters:

**(a) Operating costs.** In response to a question, Professor McCammond said that it was the University's policy that the operating costs of new facilities were borne by the division(s) occupying those facilities. In the case of the Bahen Centre, operating costs had been included in the funding provided by the Access to Opportunities Program, the Canada Foundation for Innovation, and the Ontario Research and Development Challenge Fund. The additional shelled space would involve a small incremental operating cost to be borne by a University-wide budget until the space was occupied.

**(b) Chillers.** A member noted that the problem of aged chillers was a very serious one across the University's three campuses. The chillers were often so old that it had become difficult to obtain parts for repairs. Miss Oliver said that there were about thirty chillers in need of replacement. The proposal now before the Committee would be an important step towards dealing with the problem on the St. George Campus. Users were not required by law to replace chillers using chlorofluorocarbon refrigerants; that refrigerant was now banned and was prohibited in new chillers.

**(c) Funding shortfall.** A member expressed concern about approving the proposal without knowing that all sources of funding were secure. Professor Sedra replied that every effort would be made to secure donations to cover the outstanding amount of \$21.75-million. The President had announced the extension of the Campaign, and the funding of this project would be given appropriate priority in the new Campaign plan. The Dean of Applied Science and Engineering and the Dean of Arts and Science had agreed to assume responsibility for their shares of the outstanding amount. If the fundraising efforts fell short, the University would arrange a loan, from its own funds or from an external lender, with the carrying costs being a first charge against the budgets of the two divisions. Professor Sedra noted that the Association of College and Universities of Canada and the University of Toronto were both working with the Government of Canada in an effort to secure

**4. Capital Project: Bahen Centre for Information Technology - Change of Scope** (cont'd)

Government funding for the indirect costs of research funded by the three federal research granting councils. Although the recent election call had increased uncertainty, there was some ground for optimism that the Government of Canada would adopt a new policy of funding the cost of research overhead. With the Committee's agreement, that source of funding, if it came about, could be used to defray any funding shortfall for the Bahen Centre.

On motion duly moved and seconded,

**YOUR COMMITTEE RECOMMENDS**

- (i) THAT the revised scope of the Centre for Information Technology of 19,300 net assignable square metres (nasm) be approved;
- (ii) THAT the revised project cost of \$104.63-million and the revised funding sources, outlined in Professor McCammond's memorandum of October 10, 2000, a copy of which is attached hereto as Appendix "A", be approved; and
- (iii) THAT an allocation of a \$5.197-million from the University Infrastructure Investment Fund to construct 1,900 nasm of shelled space, be approved.

**5. Capital Project: Users' Committee Report - New College Residence Expansion**

The Chair noted that for capital projects involving student residences, the University Affairs Board also provided advice to Governing Council on the student-life aspects of the projects. The Business Board also reviewed the business plans for cost-recovery projects, and advised the Governing Council on financial viability.

The Chair welcomed Professor David Clandfield, Principal, New College.

Professor McCammond recalled that at its July meeting, the Committee had considered two residence users' committee reports. There were two more for the Committee's consideration on this agenda. New College, which ran its own residence ancillary, had planned a new residence to house 280 students and 7 dons. It was proposed to occupy site 5 on the corner of Spadina Avenue and Willcocks Street, across the road from the existing residence. The use of this site would require the demolition of the three houses on Willcocks Street between the Faculty Club and Spadina Road.

Professor McCammond commented that residence ancillary operations were expected to be operated on a full-cost recovery basis on the revenue from the fees. He noted that since the University has entered an intense phase of residence construction, there has been no opportunity for some of the ancillaries to accumulate a down payment and consequently the size of the mortgages was increasing. That, plus the increased costs of construction, had led to a cost per bed for new residences of approximately \$70,000. This cost was a substantial increase from the cost per bed of the graduate residence of \$55,000. These increased costs meant that residence construction could not be funded on the basis of the revenue from fees alone without a substantial increase in the fees. A base budget allocation from the Academic Priorities Fund (A.P.F.) was proposed to keep the fees at a reasonable level. The Budget Report 2000-2001 contained funding in the A.P.F. for this purpose. He noted that New College had \$750,000 in reserve from the operation of the existing residence, which would be used toward the costs of the new residence.



**5. Capital Project: Users' Committee Report - New College Residence Expansion** (cont'd)

**Parking.** A member noted that site 5 currently contained a number of parking places. Was the University required to replace them? Professor McCammond commented that the University was not required to replace them on a one-for-one basis. By the time the lot was closed for construction, the Bahen garage would be open and its capacity was designed to replace the spaces on site 5 and those spaces on Taddle Creek Road, which would be lost when the C.C.B.R. was built.

**Room style.** In response to a question about the 71 bunk-double rooms, Professor Clandfield clarified that the rooms had originally been designed as single bedrooms and then because of increased demand for space had been turned into bunk-double rooms. The plan called for these rooms to revert to their single bedroom status, which was more appealing to students.

**Subsidization of residences.** A member referred to the subsidy, which was \$325,000 per year for eight years and which would total \$2.6-million. He asked whether there was a formula to determine how much funding each residence project received. Professor McCammond replied that there was no formula, rather the amount was calculated on the basis of the funding needed to keep the room rates at a reasonable level.

A member noted that for all four residences the business plans seemed to be based on a five percent increase in fees per year and a two percent increase in operating costs per year. What was the base fee? Ms Brown explained that the assumptions were the same for all residences. The starting point was the current fee schedule, which varied quite substantially from residence to residence. The member asked if this affected the determination of the allocation. Ms Brown noted that all the residence ancillaries were viable operations. Each new building was added to the respective college's ancillary. They each had different cash flows, rates of summer business, and size of down payment. The subsidy was based on reaching an annual surplus in the fifth year and an accumulated surplus in the eighth year. Each residence had different revenue and cost structures.

A member expressed his concern about the differences in the subsidies. One point concerned the expected rate of summer business. He suggested 48 percent was low. Why was the College not expected to cover the unused capacity and thus reduce the subsidy it was given? He also commented that subsidy was based to some extent on the location of the residence and the fees it could charge. Was it possible that the residence ancillaries were encouraged to be less efficient in order to be awarded a larger subsidy? He believed that recently residences had become vibrant, cost-effective operations but was the subsidy encouraging them to return to the inefficiencies of the past. Professor Sedra addressed the assumption about summer business. He said that the administration had encouraged New College to increase its summer business but the setting of fees should be based on a realistic plan and this in turn was based on the experience of the past few years. Professor McCammond remarked that the residence operations were encouraged to be efficient. If the summer business improved, the resulting revenue could shorten the time the subsidy was required.

**Potential for cost overrun.** A member recalled that the Bahen project had incurred increased costs associated with incorporating the Varsity building in the project. Was this a possible problem with the three houses on Willcocks Street? Professor McCammond responded that the Varsity house was listed as a heritage building while the others were not. Ms Sisam added that the University had a building envelope on site 5 which included the three houses. The building envelope for the Bahen Centre had not covered the Varsity building.

A member noted that there were no inflation costs evident in the cost of the building. Miss Oliver explained that it was included in the overall cost but was not evident as a separate line item. The cost of the building today had been inflated to what it was expected to be in one year's time

**5. Capital Project: Users' Committee Report - New College Residence Expansion** (cont'd)

when it should be going to tender. Professor McCammond said that there had been an escalation clause in the Bahen Centre project based on experience at the time the users' committee report had been drafted. Inflation had increased sharply since then.

**Style of building exterior.** A member asked about plans to soften the façade of the existing residence and new residence on Spadina Avenue. Professor Clandfield said that new façade should complement the Koffler Institute and other nearby buildings. He also noted plans to open up the existing blank wall of the cafeteria which faced Spadina Avenue by adding windows so that pedestrians could see in and students would be able to see out. This was part of the plans to revivify the Spadina frontage. A member asked if there could be improvements made to the façade of the Borden building. On a more serious note, he did not want the impression that college residence ancillaries were inefficient and profligate to go unchallenged. The newer colleges had a different history than those with residences of long standing. There were a number of issues to consider in the cost structures including the availability of and desire for meal plans.

**Residence fees.** A member noted that the residences on the suburban campuses were relatively new. He asked what would happen if the residence fees were not increased by five percent per year. Professor Sedra responded that the college would be responsible for covering the lost revenue. Ms Brown said that the five percent increase per year was for the first five years only.

**Residence ancillary: use of revenue.** A member asked for a further explanation of the uses to which a college could put any extra revenue from its residence ancillary. Professor Sedra commented that the funds could be used to improve college life although they would not be of a magnitude to finance a new gymnasium. Another member noted that each college residence ancillary controlled its own operation. There was no pooling of revenue. Each operation was expected to deal with maintenance and depreciation as a first call on addition revenue. Miss Oliver explained that residence operations with excess revenue must submit a detailed plan for spending the funds to the Service Ancillaries Review Group (SARG). The plan would be considered in detail by staff from the Controller's office. Appropriate financial controls would be expected to be part of the plan and, in due course, the recommendation would be reviewed by the University Affairs Board. As an example, she mentioned that U.T.M. had used some of its surplus residence revenue for library acquisitions.

On motion duly moved and seconded,

**YOUR COMMITTEE RECOMMENDS**

- (i) THAT the Users' Committee Report of the New College Student Residence Expansion, proposing a 11,355 gross square meter building on site 5 of the St. George Campus, a copy of which is attached hereto as Appendix "B", be approved in principle;
- (ii) THAT the project cost of \$22,100,880 be approved;
- (iii) THAT the sources of funding, \$750,000 from New College, and a 25-year mortgage for the remainder to be repaid from residence fees and an allocation from the Academic Priorities Fund, be approved; and
- (iv) THAT the base funding of up to \$352,000 be allocated from the Academic Priorities Fund to New College for a period of 8 years, the allocation to be reviewed at that time.

6. **Capital Project: Users' Committee Report – University of Toronto at Mississauga Residence Phase 7**

Professor McCammond noted that this was the seventh residential project, or phase, for the University of Toronto at Mississauga. Phase 7 would provide an additional 192 spaces for undergraduate students. Unlike the New College Residence, which incorporated dormitory-style residences, Phase 7 would continue the suite-style accommodation implemented in Phase 6. The suites in Phase 7 would include four bedrooms, two bathrooms, living and kitchen areas. Also, Phase 7 would be hardwired with the same, or similar, networking and security access configurations as Phase 6 (i.e. telephone, cable, data outlets in bedrooms and living rooms, and telephone and data drops in study rooms and all offices).

Professor McCammond continued that for this project, the increased costs of construction and the absence of funding in the ancillary of a down-payment would produce unacceptably high room rates. The University therefore proposed to subsidize the ancillary until the planned break-even point in eight years. An allocation from the Academic Priorities Fund for this purpose had been incorporated into the *Budget Report* for 2000-01.

Professor McCammond and Principal McNutt responded to several questions for clarification. Among the project aspects discussed were the following.

**Sources of funding.** In response to a member's question concerning the difference in funding sources for this and the previous residences project, Professor McCammond clarified that, owing to the significant residence expansion at the U.T.M., there were no funds in the residence ancillary to help alleviate costs for Phase 7. Funding from the U.T.M. Parking Ancillary and the A.P.F. was, therefore, proposed to help keep the room costs at a reasonable rate.

Later in the discussion, it was clarified that the construction costs for projects on the St. George campus were approximately 15 percent greater than those for projects at the University of Toronto at Mississauga. This was in part attributable to the cost and time associated with transportation of building materials into the City core by the Don Valley Parkway and the availability of parking, storage and access for construction workers.

**Users' Committee membership.** A member drew attention to the membership of the Users' Committee, noting that it appeared that only one student had been included. Principal McNutt clarified that the membership had also included four dons, all of whom were also students.

The Chair reminded members that the Planning and Budget Committee had input into Users' Committees at two stages. First, when the users' committees were struck and the terms of references identified, this Committee was provided with the committee membership and terms of reference for information and comment. Members were encouraged to pass on to the administration any comments they might have as to the composition of the membership and/or mandate of the users' committee. Second, the Planning and Budget Committee was asked to approve in principle the final report of a users' committee, which included a space plan, project cost and sources of funding.

**Environmental issues.** A member commented favourably on the care taken by the users' committee in considering the relationship of the residence to the environment. The results would ensure beautiful living spaces.

6. **Capital Project: Users' Committee Report – University of Toronto at Mississauga Residence Phase 7** (cont'd)

On motion duly moved and seconded,

YOUR COMMITTEE RECOMMENDS

- (i) THAT the Users' Committee Report of the University of Toronto at Mississauga (U.T.M.) Student Residence proposing a 7278 gross square meter building on the U.T.M. Campus, a copy of which is attached hereto as Appendix "C", be approved in principle;
- (ii) THAT the project cost of \$14,059,095 be approved;
- (iii) THAT the sources of funding, \$40,000 from the Parking Ancillary, and a 25-year mortgage for the remainder to be repaid from residence fees and an allocation from the Academic Priorities Fund, be approved; and
- (iv) THAT the base funding of up to \$100,000 be allocated from the Academic Priorities Fund to U.T.M. for a period of 8 years, the allocation to be reviewed at that time.

The Chair noted that the vote had been unanimous.

Principal McNutt noted that he had supported the motion somewhat reluctantly. He explained that with the recommended subsidy from the A.P.F., the budget model for the residence projected that it should be self-sufficient within an eight-year period. However, with the significant expansion contemplated for the U.T.M., he was concerned that there might not be additional subsidies available to sustain the planned long-term growth of the campus.

7. **Capital Project: Users' Committee Report – University of Toronto Schools and OISE/UT at 371 Bloor Street West**

The Chair welcomed Professor Anne Millar, Users' Committee Chair.

Professor McCammond introduced the proposal, which called for renovations to 371 Bloor Street, the home to the Ontario Institute for Studies in Education of the University of Toronto (OISE/UT) and the University of Toronto Schools (UTS). Also housed at 371 Bloor Street was the University's Department of Sociology, which had relocated to newly renovated and redesigned space in December, 1999.

Professor McCammond continued that the Users' Committee had recommended a plan that would accommodate the planned enrolment increase for UTS (from 450 to 624 students by September 2001) and the current needs of the OISE/UT programs. The project was designed to improve and modernize the building in addition to providing the appropriate quantity of space needed to accommodate the increased enrollment. The planned renovations called for:

- modernization of classrooms to incorporate information technology;
- renovation of substandard laboratory facilities;
- provision of classrooms and expanded facilities dedicated to the teaching of music and visual arts;

7. **Capital Project: Users' Committee Report – University of Toronto Schools and OISE/UT at 371 Bloor Street West (cont'd)**

- completion of a new athletic wing, which would include a double gymnasium and swimming pool, locker and shower facilities and associated storage and office space (these new athletic facilities would replace existing ones that did not conform to standards);
- installation of a new HVAC system; and
- improvements to building security.

The project cost had been estimated at \$23.24-million, with some \$2.5-million required for the chiller plant, electrical substation and related costs. It was proposed that the University provide \$3.5-million from the University Infrastructure Investment fund, \$2.5-million for the infrastructure costs and \$1-million towards the new and improved OISE/UT space. UTS proposed to raise \$16-million for the project through a combination of a development reserve fund included in tuition fees and a capital campaign. OISE/UT would provide the remaining \$3.74-million, principally from its development program.

It was duly moved and seconded,

- (i) THAT the Users' Committee Report of the University of Toronto Schools and OISE/UT at 371 Bloor Street West, a copy of which is attached hereto as Appendix "D", be approved in principle;
- (ii) THAT the project cost of \$23,240,000 be approved and that implementation begin when the private funding has been raised;
- (iii) THAT \$3.5-million be allocated from the University Infrastructure Investment Fund when the private funding has been raised.

Professors McCammond and Millar responded a number of questions for clarification concerning the proposal. Among the substantive matters that arose were the following.

**University-wide use of OISE/UT classrooms.** In response to a member's question, Professor McCammond clarified that the booking of OISE/UT classrooms at 371 Bloor Street was administered centrally, through the Office of Space Management. While OISE/UT had first call on these classrooms, they were also made available for University purposes.

**Physical education and athletics.** Dean Kidd indicated his general support for the plan and commended the users' committee for seeking improved athletics facilities. He noted that the demand for scarce athletics facilities at both the University and UTS had sometimes led to conflict over the shared use of facilities. He hoped that the University and UTS could continue to work together to meet the needs of all University students, including students of UTS. He regretted that there had not been clarity over the responsibility for the athletic facilities to be used by UTS when the University's Faculty of Education and OISE had amalgamated in 1996 to form a new faculty of education.

**Potential for additional space as a result of renovations.** In response to a member's questions, Professors McCammond and Sedra and Ms Sisam clarified that any space that was made available as a result of the proposed renovations would automatically revert back to the University. The area of the existing 371 Bloor Street West facility would increase from approximately 9,300 net assignable square meters (nasm) to 9,500 nasm because of the infill of the existing UTS gymnasium. OISE/UT would retain 2,100 nasm, the Faculty of Arts and

7. **Capital Project: Users' Committee Report – University of Toronto Schools and OISE/UT at 371 Bloor Street West** (cont'd)

Science would occupy 1,600 nasm and approximately 1,100 nasm might be released for other university functions after the addition and the infill was completed.

**Potential for revenue-generating enterprises.** A member referred to the campus planning issues identified on page 32 of the Users' Committee Report, noting that he was concerned that the University might not be fully utilizing its as-of-right potential for the site. He sought assurance that, in considering development projects, the University was mindful of all commercial components for sites on which revenue-generating enterprises were permissible.

Professor McCammond responded that the approved full-capacity envelope for this site provided for institutional use with commercial zoning along Bloor Street and Spadina Avenue. However, to develop the site to its full capacity, the demolition of 371 Bloor Street West to within 8m of its north façade would be required. The University had made a determination that for this envelope, it would not pursue the full commercial potential and would retain the existing building for the foreseeable future. The proposed renovations contemplated an athletic facility along the south wall of the existing 371 Bloor Street West.

**Role of UTS within academic mission of OISE/UT.** A member spoke against the proposal, drawing attention to what he believed to be a subsidization of an independent high school with tuition fees paid by University students. He recalled a previous decision wherein the University had provided UTS with ongoing operating support of almost \$218,000 per year and the use of the facilities at 371 Bloor Street West. The proposal before members recommended further substantial allocations for renovations, which included a new swimming pool and a second gymnasium. The member found the proposal offensive and could not support these priorities, especially given the existing state of athletics facilities at his campus, the University of Toronto at Mississauga.

It was duly moved and seconded,

THAT the proposal be referred back to the administration.

Professor Sedra urged members not to support the motion to refer the proposal back to the administration. He clarified that the proposal before members pertained not only to UTS facilities but also to the much-needed upgrading of the infrastructure for 371 Bloor Street, which also housed OISE/UT. He added that UTS was an academic unit of OISE/UT. In recognition of UTS's role as a laboratory for OISE/UT in the development of pedagogy and for the practical education of teacher education students, the University provided some operating support and the use of the facilities. These arrangements were not part of the proposal currently before members.

Professor Millar addressed the unique role played by UTS within OISE/UT. Established in 1910 as a laboratory school for the then Faculty of Education, UTS provided a forum for developing and testing best teaching practices and for the development of curriculum for academically able students. Over the past 90 years, the relationship between UTS and the Faculty of Education had evolved. The 1993 funding crisis at UTS, wherein the Government of Ontario had withdrawn its operating support for the School, had precipitated a re-examination of the role UTS played not only within the rubric of education within the University of Toronto but also in the larger context of education in the province. An example of a joint initiative to further excellence in teacher education and the delivery of quality education in Ontario was the innovative teacher education programs involving teachers at UTS working with teacher candidates for two days a week through the year in a mentoring program.

7. **Capital Project: Users' Committee Report – University of Toronto Schools and OISE/UT at 371 Bloor Street West (cont'd)**

Principal Hildyard added that in her capacity as Co-Director of the Institute of Child Study, within OISE/UT, she could attest to the full integration of UTS within the academic mission and research programs of OISE/UT.

A member spoke against the motion to refer back indicating his support that the proposal proceed at this time. However, he believed many of the points raised by the mover were well founded. He hoped these concerns could be addressed in the future.

A member added that he believed there to be wide-spread skepticism as to the level of academic integration between UTS and OISE/UT. He asked if members could be provided with a report that would document fully the relationship between UTS and OISE/UT. A member seconded the member's comment and request, noting that it would be helpful to have the information requested to correct misconceptions about UTS and to allay concerns that might be shared by others. Professor Sedra took the members' suggestion under advisement and undertook to report on the outcome at the next meeting.

In response to a member's question concerning the repercussions of delaying the Committee's consideration of the proposal, Professor Sedra noted that UTS would be unable to commence its fundraising drive in the absence of support from the University.

The member who had made the motion to refer the proposal back asked what the annual costs were of providing space to UTS. Professor Sedra responded that the amount was not known to him.

A member noted that the proposal before members was for infrastructure for 371 Bloor Street West and would benefit not only UTS, but also OISE/UT and the Faculty of Arts and Science. The cost of not proceeding with the proposal would be the frustration and demoralization of a large group of individuals who had worked together in good faith to bring forward the proposal before members. He did not believe it was within the mandate of the Planning and Budget Committee to determine the proper domain and nature of the relationship between the University and UTS. He noted that the University benefited from many gifted students who came to it from UTS each year. For these reasons, he urged members to support the proposal.

The vote was taken on the motion to refer the proposal back to the administration.

The motion was defeated.

The vote was taken on the main motion.

The motion was carried.

**8. University Infrastructure Investment Fund: Allocation – Faculty of Architecture, Landscape, and Design Building, Phase 3 Renovations**

The Chair noted that the scope of this project had not changed. The Committee was being asked to consider only an allocation of additional funding to enable the completion of another phase of the renovation project.

The Chair welcomed Professor Larry Richards, Dean, Faculty of Architecture, Landscape, and Design.

Professor McCammond recalled that in 1998, the Governing Council had approved the Users' Committee Report for the then School of Architecture and Landscape Architecture. That Report had recommended renovations estimated at \$9.995-million to be implemented using a phased approach as funding became available. Implementation of the first 2 phases, renovations to the library and faculty offices, had also been approved. The Provost had placed a high priority on completing the project and had agreed, in the response to the Faculty's academic plan, to match private donations towards the cost of the renovations. The Faculty had acquired additional private funding and wished to proceed with the third phase of the project -- renovation of the exhibition hall and the installation of bay windows -- at a cost of \$690,000.

In response to questions, Professor McCammond clarified that funding for the third phase of renovations was being recommended as the Faculty secured external funding. The new bay windows, which would be two stories in height, were to be located on the front façade of the building.

On motion duly moved and seconded,

YOUR COMMITTEE RECOMMENDS

THAT \$345,000 be allocated from the University Infrastructure Investment Fund for Phase 3 renovations to the Faculty of Architecture, Landscape, and Design building.

The Chair noted that the vote had been unanimous.

Documentation for this proposal is attached hereto as Appendix "E".

**9. Date of Next Meeting**

The Chair reminded members of the next meeting scheduled for Tuesday, November 14, 2000 at 5:00 p.m.

The meeting adjourned at 7:25 p.m.

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Secretary

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Chair

November 14, 2000