ATTENDEES:
Andrew Sharman, Vice-President (Facilities and Operations), Chair
 Andre Costopoulos, Vice-Provost and Dean of Students
Sylvia Fong, Senior Financial Officer (delegated by Heather Zwicker, Vice-Provost and Dean (FGSR))
Katherine Huising, Associate Vice-President, Ancillary Services
Masoud Khademi, GSA Vice-President External (delegated by the President of the Graduate Students’ Association)
Hannan Mohamud ASA Vice-President of Communications (delegated by Benjamin Curry, President of the Augustana Student Association (via phone))
Ilya Ushakov, SU Vice-President, Student Life (delegated by the President of the Students’ Union)

GUESTS:
Rob Ford, Supervisor, Residence Services & Student Engagement, Augustana – Residence (via phone)
Janice Johnson, Assistant Dean of Students, Residences
Gitta Kulczyski, Vice-President (Finance and Administration)
Aman Litt, Special Projects Manager, Ancillary Services
Dolores March, Director, Hospitality Services, Ancillary Services
Randal Nickel, Executive Director, Augustana Student Services, Ancillary Services (via phone)
Geoff Rode, Director, Operations, Ancillary Services

1. Presentation from Gitta Kulczyski, Vice-President (Finance and Administration)
   One of the Guiding Principles, *All funds received from students for shelter and food stay within the residence system*, K. Huising asked if student’s fees for Residence Services would fund upgrades to residence facilities. K. Huising plans to use parking reserves to pay for the RFP for the initial payment of the upgrades. G. Kulczyski informed the committee that any parking reserve funding used on residence upgrades is be considered an internal loan that must be paid back. All money coming into Residence Services stays in residences.

   Action: K. Huising committed to presenting the Capital Plan at the February 15th RBAC meeting.

I. Ushakov asked why the cost of deferred maintenance on residences is paid entirely by student residence fees. He suggested making cuts to residence program services such as staffing. J. Johnson explained that the cost of staffing is a very small percentage of the overall budget. A. Costopoulos emphasized that UAlberta must provide a certain level of support services to students in residences such as mental health support, and falling below that minimum is not an option.

H. Mohamud exited the meeting.

M. Khademi stated that it is not fair to drop these increases for existing students who have budgeted for existing rates. A. Sharman indicated that these increase are for the following year and that fees have never been guaranteed for future years.

G. Kulczyski reminded the committee that the increases to meal and residence rates are meant to prevent the structural deficit from getting worse.

2. Review and approve November 23rd minutes
J. Johnson clarified that Residence Services will be looking at reorganizing the number of RAs for each residence in a way to have enough staff working in ECV and Lister 5. While some new RAs will be hired
to ensure adequate student support in all residence communities, the ratio of RAs to students will be adjusted across the system.

3. **Guiding Principles Discussion**
   This item was covered the presentation. This document will be going to the Residence Oversight Committee (ROC) on Feb 7th.

   **Action:** K. Huising will ensure the Guiding Principles are posted on the Ancillary Services website after the ROC meeting.

4. **Revised rate increase discussion**
   K. Huising handed out a briefing note about revised residence rates for 2018-19. She walked the committee through this document. Proposing a 4% increase starting in May 2018. I Ushakov is concerned that international students are paying $2600 more a year, including residence, meal plan, and tuition increases.

   A Costopoulos addressed that is not the university taking money, it is about the viability of the residence system. M. Khademi identified that predictability is important for students and international students are hit hard financially this year and next year. The GSA is not against reasonable increases to residence rates. The trend of these increases is what concerns graduate students. It is not a sustainable or viable solution for long term. A. Sharman explained that there is $3.1 million invested annually into deferred maintenance for Ancillary Services.

   **Action:** A. Sharman will provide the cost in deferred maintenance for the last three years.

   I Ushakov reiterated that the Students’ Union (SU) does not support any increases above the CPI. SU wants to collaborate with Ancillary Services in providing above standard services to students.

5. **Family housing consultation introduced for information**
   A document titled *University of Alberta Housing for Students who Parent White Paper February 2018* was distributed to the committee. There will be a more fulsome discussion at ROC. The document includes the background for Michener Park. Costs continue to grow and based on the feedback of the Residence Task Force and GSA.

   **Action:** Committee members asked to send any feedback to K. Huising.

   **Action:** K. Huising will provide update on maintenance and repairs completed in the 2017-18 fiscal year.

6. **Adjournment**

   Meeting adjourned at 4:15 pm.
Residence Budget Advisory Committee
February 1, 2018

Gitta Kulczycki
Vice-President (Finance & Administration)
Campus Alberta Grant and Tuition (current state):

- Received 2% increase in Campus Alberta grant for past three years.
- In 2016-17, there were mid-year cuts to the Ministry of Advanced Education.
- Domestic tuition and Mandatory Non-Instructional Fee (MNIFs) have been frozen for three years (2015-16, 2016-17 and 2017-18).
- For first two years of freeze, we received increased grants (backfill) to compensate. This did not occur for 2017-2018.
- The freeze will continue through 2018-19.
- Backfill may be forthcoming. Alberta 18-19 budget hopefully clarifies.
- Both CA grant and tuition are under review—dates for receiving recommendations have been pushed into 2018.
Moving forward, U of A faces specific challenges:

External factors:

• Costs pressures in our consumption of goods and services, including cost of utilities.
• The province’s difficult fiscal situation and its potential impact on the Campus Alberta grant.
• Uncertainty from the province’s review of tuition and fees.

Internal factors:

• Allocations are outpacing revenues, creating a structural deficit in the operating budget of approximately $14 million.
• Reliance on short-term investment income to reduce the size of the deficit.
Structural deficit: Total “authority to spend” exceeds ongoing revenues, plus investment income

<table>
<thead>
<tr>
<th>Year</th>
<th>Authority to Spend</th>
<th>Ongoing revenue</th>
<th>Investment Income</th>
<th>Structural Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-13</td>
<td>$821M</td>
<td>$812M</td>
<td>$14M</td>
<td>$27M</td>
</tr>
<tr>
<td>2013-14</td>
<td>$812M</td>
<td>$818M</td>
<td>$17M</td>
<td>$11M</td>
</tr>
<tr>
<td>2014-15</td>
<td>$818M</td>
<td>$847M</td>
<td>$19M</td>
<td>$8M</td>
</tr>
<tr>
<td>2015-16</td>
<td>$847M</td>
<td>$852M</td>
<td>$20M</td>
<td>$13M</td>
</tr>
<tr>
<td>2016-17</td>
<td>$852M</td>
<td>$857M</td>
<td>$20M</td>
<td>$14M</td>
</tr>
<tr>
<td>2017-18 Preliminary</td>
<td>$857M</td>
<td>$890M</td>
<td>$19M</td>
<td>$14M</td>
</tr>
</tbody>
</table>
Why are we planning for a 4% reduction for 2018-19?

1. Structural deficit of approx. $14M
2. Over-reliance on investment income
3. Multiple cost pressures
4. Freeze on domestic tuition and MNIFs
5. Recent GOA request to indicate where we will make “discretionary cuts”
What will be achieved with the 4% reduction (plus 2.5% in following years)?

- Eliminate structural deficit.
- Manage our expenses within our means.
- Be more cautious and prudent on investment income expectations.
Residences and Dining Services
Guiding Principles

• Quality housing and good nutrition are critical to student academic and experiential success.

• All funds received from students for shelter and food stay within the residence system.

• No student tuition or government funding is invested in residences or dining services.

• Residence and dining services must operate on a breakeven basis. No profit is sought; no loss can be sustained.

• Residences will be operated as a system.

• Student input is highly valued. Students will be engaged during development of residence and dining plans and priorities.
Guiding Principles for the operation of Residences and Dining Services operations

January 25, 2018

Issue: Recent discussions on Residences and Dining Services finances, impacts on rates assessed to students, and addressing significant deferred maintenance demands have suggested the need to clarify the guiding principles for these units at the University of Alberta. The following are proposed for consideration.

To fulfill its mandate of providing an array of vital services in support of the University of Alberta’s Institutional Strategic Plan “For the Public Good”, Facilities and Operations (Ancillary Services) operate a suite of self-funded operations. The following principles direct decision-making in this area.

1. Quality housing and good nutrition are critical to student academic and experiential success and we recognize this in everything we strive to do.

2. All funds received from students for shelter and food stay within the residence system.

3. No student tuition or government base, capital or maintenance funding is invested in residences or Dining Services operations.

4. Residence and Dining Services must operate on a financially sustainable basis having due regard for operating costs, addressing deferred maintenance, as well as maintaining operating and capital reserves for long term sustainability. No profit is sought to be made from residences and Dining Services, but no loss is acceptable either.

5. Residences will be operated as a system with long-term capital improvement and deferred maintenance plans which support all facilities (residences and Dining Services outlets) over time.

6. Student input is highly valued. Students will be engaged during the development of plans and priorities to sustain and improve the residence and food system.
Revised Rental Rates for 2018/19

Issue
Ancillary Services had identified a 2.5% increase to rental rates in residences for 2018/19. Following budget discussions with university senior leadership, the need to eliminate the historic shortfall was identified. A new rate increase needed to be considered.

Background
- In developing the rates for the 2018/19 academic year, Ancillary Services used a model similar to the UA's "Academic Price Index" to determine the rate increase for the coming year.

<table>
<thead>
<tr>
<th>Projected Price Index</th>
<th>Residence Services Only</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3 years sum of (FY2015-2017)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Budget Pressures</th>
<th>Budget Proportion</th>
<th>Projected Inflation</th>
<th>Weighted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>18%</td>
<td>3.1%</td>
<td>0.55%</td>
</tr>
<tr>
<td>Benefits</td>
<td>3%</td>
<td>6.0%</td>
<td>0.21%</td>
</tr>
<tr>
<td>Materials, supplies and services</td>
<td>15%</td>
<td>1.7%</td>
<td>0.26%</td>
</tr>
<tr>
<td>Utilities</td>
<td>22%</td>
<td>1.7%</td>
<td>0.38%</td>
</tr>
<tr>
<td>Maintenance</td>
<td>41%</td>
<td>1.7%</td>
<td>0.70%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>2.10%</td>
<td></td>
</tr>
</tbody>
</table>

- Missing from the projected price index is the cost of the unionization of Residence Assistants. This cost is another 1.4% pressure on the operating budget.
- Rather than impose a 3.5% increase, Ancillary Services committed to finding a 1% reduction in the overall budget. The proposed increase for 2018/19 was 2.5%.
- The 2.5% was presented at RBAC in November 2017. The Students' Union was clear they could not support any increase above the consumer price index (CPI).

Analysis
- At the presentation of the budget to university senior leadership in December 2017, concerns were raised regarding the continued deficit in the operating budget and the need to address the deferred maintenance liability within Residence Services.
  - The outstanding deferred maintenance liability in residences is estimated at $110 million. Lister, Michener, and HUB reflect the majority of this deferred maintenance.
In FY2018, the $2.4 million spent on deferred maintenance included major mechanical upgrades, such as boiler, furnace and hot water tank replacements, hazmat abatement, flooring replacement, and kitchen and bathroom upgrades. Addressing deferred maintenance in the short term will reduce repairs and maintenance expenses in the future. With this in mind, Ancillary intends to continue to invest in excess of $2m annually on deferred maintenance.

- Ancillary Services building value is estimated at $636m. The industry standard would suggest there should be annual spend of $9.5m on maintenance. This reflects 1.5% of building value.

- It has been realized that in the analysis of rate increases consideration was only given to external pressures on the operating budget. There was an error in not considering the ongoing operating deficit within the Residence Operations in the development of the new rates.

- An analysis of the Residence Services actuals from FY2013 – FY2017 was undertaken. During this five year window, Residence Services ran an annual deficit between $450,000 and $2,100,000. (Table 2)

<table>
<thead>
<tr>
<th>Year over Year Operating Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2013</td>
</tr>
<tr>
<td>0</td>
</tr>
</tbody>
</table>

- Currently, Residence Services has been using Operating and Capital reserves to offset operating budget deficits. However, these funds are now depleted. (Table 3)
Table 3
Residence Services Reserves
(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating</td>
<td>$2,602</td>
<td>$514</td>
<td>$477</td>
<td>$12</td>
<td>$(2,136)</td>
</tr>
<tr>
<td>Capital</td>
<td>$3,245</td>
<td>$441</td>
<td>$1,536</td>
<td>$1,131</td>
<td>$1,354</td>
</tr>
<tr>
<td>Total</td>
<td>$5,847</td>
<td>$955</td>
<td>$2,013</td>
<td>$1,143</td>
<td>$(782)</td>
</tr>
</tbody>
</table>

- This establishes all rental revenue is consumed by operating expenses.
- Based on 2.5% residence rate increase, the Residence Services deficit in FY2019 would be $3.2m.
- It is important to be clear on two points:
  - All revenue generated through rent within the residence system is retained to cover expenses related to operating residences.
  - Ancillary Services is not eligible for funding from the Government of Alberta (i.e. IMP funding) and does not receive any funding from the University via tuition, etc.
- With the revisit of the budget for the coming year, the submission to the Board of Governors will be for a 4% increase on residence rates. This is an increase of 1.5% from initial proposed rate increase of 2.5%. This provides an increase of $450,000 in revenue to the residence budget.
- This additional funding will offset a portion of the operating deficit, but an operating deficit will still exist for FY2019.

Post-Secondary Comparisons
- Using the Lister-Classic rent for a double room and comparing to eight other Universities (at their lowest rate posted). The new rate will still see the University of Alberta as one of the lowest rental rates. (Table 4)
• If one combines the rent on a double room for Lister Classic with the new meal plan rate, the University of Alberta still remains one of the least expensive options. (Table 5)

Table 5

<table>
<thead>
<tr>
<th>Combined Rent &amp; Meal Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>$16,000.00</td>
</tr>
<tr>
<td>$14,000.00</td>
</tr>
<tr>
<td>$12,000.00</td>
</tr>
<tr>
<td>$10,000.00</td>
</tr>
<tr>
<td>$8,000.00</td>
</tr>
<tr>
<td>$6,000.00</td>
</tr>
<tr>
<td>$4,000.00</td>
</tr>
<tr>
<td>$2,000.00</td>
</tr>
</tbody>
</table>

Next Steps

• Request Board approval for rental rates to be increased by 4% across the residence inventory for the 2018/19 academic year.
• Ancillary Services continue to examine other efficiencies within the operating budget to address the continuing deficit:
  o One immediate consideration is the Property Tax expense. Recent discussions with MacEwan University revealed some success they have had with negotiating lower property tax payment with the City of Edmonton.
  o Further consideration has to be given to Michener Park. This residence consumed over $2m in repairs and maintenance in FY2017 including deferred maintenance.
    ▪ This is 21% of the budget for repairs and maintenance. The occupancy at Michener is only 8% of the residents within the entire system.
    ▪ This will be examined as part of the consultation on housing needs for “Students who parent”.
• A future consideration would be the Travel Demand Management program. Currently the University (through Parking Services’ revenue) subsidizes the U-Pass for students. The current subsidy of $25/student equals over $2.1m. Beginning next year, the subsidy is reduced to $22/student. This would equate to $1.9m. If this subsidy was discontinued, the money could be retained in Ancillary Services’ operating and capital reserves in support of residences. The University of Alberta is the only PSI in Edmonton that subsidizes the U-Pass.
Introduction

The University of Alberta has provided family housing as part of its residence system since 1967. The facilities are located at Michener Park and have provided a suburban residence option for graduate students raising families. As the residents have increasingly expressed concern with the state of the residence while the facility has also become very costly to maintain, the time is right to evaluate the future of housing for students who parent. UAlberta intends to launch a fulsome consultation process seeking clarity around the housing needs of students who parent and the role of the institution in meeting those needs.

Background

Michener Park is one of the oldest residences owned and operated by UAlberta and carries a significant and growing maintenance burden. Michener Park was never meant to be running during its fiftieth year, even with regular, consistent maintenance. Students are not satisfied with the accommodations and have been vocal about these issues to their peers, potential students, and applicants putting UAlberta's reputation at risk.

Ancillary Services is commensurately challenged by operating and maintaining Michener Park to a standard that meets student satisfaction while also generating sufficient rental revenue to remain economically viable.

The Problem - What Residents Tell Us

The March 2017 report of the Residence Life Task Force identified maintenance and residence amenities as the two single-highest areas of concern across the residence system. This was particularly acute for graduate students. Moreover, 89 percent of graduate students reported problems with maintenance and repair of their residence. These indicators, along with many others are substantiated by residents’ contributions to the annual Educational Benchmark Survey. For at least ten years the tempo and volume of complaints at Michener Park have increased.

The Problem - Physical Infrastructure

Michener Park has exceeded its life expectancy with more frequent reports of poor suite conditions that risk overwhelming maintenance resources. The cost to address essential maintenance has increased by 36.4% over the last five years and by over 100 percent in the last ten. In 2017, maintenance costs were $2.05 million or 46.8 percent of the total expenses incurred at Michener Park.
More than 3,000 individual maintenance requests are anticipated this year; an increase of 57 percent over the five-year average. Despite representing only 8.5 percent of the total housing inventory, maintenance requests at Michener Park represent approximately 22 percent of the total volume across the residence system.

Michener Park carries a deferred maintenance liability of approximately $25 million while the Facility Condition Index (FCI), a measure used to provide a benchmark to compare the relative condition of a group of facilities, averaged 0.33. By comparison, the entire portfolio of Ancillary Services building assets carries an average FCI of 0.15 when anything greater than 0.1 is considered poor.

**The Problem - Insufficient Revenue**

In the past five years, revenues at Michener Park have increased by 1.05 percent. This is due to a combination of rate increases approved by the Board of Governors being largely offset by a decrease in occupancy. Although demand for family housing has historically been robust, today’s vacancy rate of 12 percent is attributed to many units being removed from use. The operating deficit for 2016/17 of $375,000 was covered by the reserve fund for Michener Park, which has less than $380,000 remaining. This fund is forecasted to be exhausted in 2017/18.

**The Opportunity**

To inform a decision around the future of family housing at UAlberta, it is imperative to understand the reality for students who parent. Only by identifying and
understanding their challenges and expectations, can UAlberta make an informed decision on future housing developments.

A consultative process to identify the needs of students who parent will also provide an opportunity to assess data collected from the RLTF survey. For example, in addition to that identified above, residents expressed concern with a lack of adequate transportation from Michener Park to North Campus and safety and security at Michener Park.

3.7 percent of graduate students self-identified as Indigenous in the 2016 Canadian Graduate and Professional Student Survey. This is a higher proportion than reflected in UAlberta sources and, thus, it is very likely that more can be done to encourage and support First Nation, Métis, and Inuit students applicants while providing student residence opportunities.

The Consultation

A working group is being formed to assess the current and future needs of students with families and the reasonable steps UAlberta can take in meeting these needs. At a minimum, it is expected this consultation will seek answers to the following questions:

- What is the reality and potential numbers of students who parent?
- What is the current and future housing needs of students who parent?
- To what degree is UAlberta meeting those needs today?
- What are the obligations of UAlberta as it relates to residence housing for students who parent?
- What level of investment is reasonable for students who parent?

Utilizing the Student Participation Protocol, the current residents of Michener Park will have an important voice in this consultative process. Additionally, the consultation will capture the perspectives of the surrounding community, a broader range of UAlberta students, and alumni. Finally, to ensure the broadest spectrum of input is considered, engagement will also include:

- University of Alberta Residence Oversight Committee
- Aboriginal Student Services Centre
- Faculty of Native Studies
- Michener Park Community Association
- City of Edmonton
### Future of Family Housing Working Group

<table>
<thead>
<tr>
<th>Name</th>
<th>Department</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andre Costopoulos</td>
<td>Dean of Students</td>
<td>Project Co-Lead</td>
</tr>
<tr>
<td>Vice-Provost and Dean of Students</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Katherine Huising</td>
<td>Ancillary Services</td>
<td>Project Co-Lead</td>
</tr>
<tr>
<td>Associate Vice-President</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aman Litt</td>
<td>Ancillary Services</td>
<td>Project Manager</td>
</tr>
<tr>
<td>Representative</td>
<td>Office of the Dean of Students</td>
<td>Project Team</td>
</tr>
<tr>
<td>Representative</td>
<td>Faculty of Graduate Studies &amp; Research</td>
<td>Project Team</td>
</tr>
<tr>
<td>Representative</td>
<td>Finance and Administration</td>
<td>Project Team</td>
</tr>
<tr>
<td>Representative</td>
<td>Registrar’s Office</td>
<td>Project Team</td>
</tr>
<tr>
<td>Representative</td>
<td>University Relations</td>
<td>Project Team</td>
</tr>
<tr>
<td>Representative</td>
<td>University of Alberta International (UAI)</td>
<td>Project Team</td>
</tr>
<tr>
<td>Representative</td>
<td>Graduate Students' Association</td>
<td>Project Team</td>
</tr>
<tr>
<td>Representative</td>
<td>Students’ Union</td>
<td>Project Team</td>
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Hanann Mohamud ASA Vice-President of Communications (delegated by Benjamin Curry, President of the Augustana Student Association (via phone))
Marina Banister, Students’ Union President

GUESTS:
Janice Johnson, Assistant Dean of Students, Residences
Geoff Rode, Director, Operations, Ancillary Services

1. Review and approve February 1st minutes
   Approved.

2. Further discussion on presentations on rates from February 1st
   A Sharman did a joint presentation with the Vice-President (Finance and Administration) to GFC Executive on the budget and capital plan on February 12th and the Academic Planning Committee on February 14th. Both committees approved the submission to the Board.

3. Update on family housing consultation feedback from ROC (Residence Oversight Committee)
   The briefing on consultation for housing for students who parent was presented to ROC. Discussions included the advisability but did not address Michener Park directly. Ancillary Services is in the process of reaching out to community members about this. An email has been drafted to residents of Michener Park that there will be a consultation around housing. Addressed in the email to the community will include what the needs are and the notice period of any decisions that will be made.

   M. Khademi noted that solutions and consultation need to happen at the same time. Residents understand the problems at Michener Park but the UofA needs to have solutions to financially support this.

   A Sharman is waiting for a discussion with the Government of Alberta about Indigenous peoples housing that could assist with meeting the need for housing for students who parent. Once the needs are known, the UofA can determine the cost of this based on the actual need.

   Action: J. Johnson will send M. Khademi a copy of the communication going to students living in Michener Place.

4. Presentation of Ancillary Services capital plan (2018-2023)
   G. Rode provided a document titled Ancillary Services Capital Plan Document. He walked the committee through the capital plan. If committee members have feedback on this document, send to G. Rode.
Staff that are in residence on a daily basis provided their input. Developing the implementation of the Lister community plan provided an opportunity to identify the deferred maintenance issues in residences being renovated. Concept plans for the renovations were shared with I. Ushakov last year. Although Michener Park is not identified on this plan, as consultation takes place, and decisions are made, it could make its way into the plan. This is a living document. Students have provided their input on the design process on things that worked and did not.

H. Mohamud asked how deferred maintenance projects are prioritized, and why is there no mention of Augustana. A. Sharman explained that Facilities and Operations does not own the deferred maintenance costs at Augustana but he is working with the Dean to find a way to address this in terms of financing. When the CIP is published, there will be a hold for Augustana residences. Parking and Dining Services is all under the Dean.

a. **Update on maintenance spend in 2017-18**
   At the February 1st RBAC meeting, committee members asked for an update on the cost of what is spent on maintenance in Ancillary Services. G. Rode provided a document titled *Maintenance Projects Update to RBAC* and reviewed each bullet with the committee. A. Sharman will assist Augustana with building a similar plan.

5. **Adjournment**

Meeting adjourned at 4:00 pm.
Ancillary Services

Capital Plan Document

Ancillary Services is a self-funded business unit consisting of a diverse group of departments and service units that deliver strategic business solutions and generate sufficient revenue to build operational and capital reserves. The work of Ancillary Services supports the Institutional Strategic Plan “For the Public Good.”

These departments and service units include:
- Dining Services (Meal Plans, Catering, Retail, Vending)
- Conference Services
- Summer and Year round Accommodations
- Student & Guest Services
- ONEcard
- Parking
- Residence Life
- Residence Operations

The business operations must respond to an ever-changing campus environment as well as strategically plan to respond to the marketplace.

As a self-funded unit, Ancillary Services must generate sufficient revenue to:
1. Cover all operational costs;
2. Fund deferred maintenance and minimize future deferred maintenance, and;
3. Build and maintain financial reserves to cover long-term capital investments and large expenses such as maintenance and renewal activities.

For the next four fiscal years, Ancillary Services is committing between $3m - $3.9m to address the backlog of deferred maintenance across the business unit – primarily in student residences, including dining halls. In addition to the deferred maintenance investment, Ancillary Services has identified the following capital projects.

Student Residences

Purpose-built student housing is a key driver leading to successful recruitment and retention of top students to the University, to learner outcomes and to strong alumni relations.

The University of Alberta presently has more than 4,500 residence spaces across its campuses and, with the opening of a fifth tower at Lister Centre and a new residence on East Campus Village, this inventory will increase by more than 700 spaces for the 2018/19 academic year. This additional inventory will allow the University to conduct significant and long overdue renovations to each of the oldest towers in Lister Centre, over the course of
three years, thus creating considerably more appealing student living spaces.

As stated in For the Public Good, the University intends to increase opportunities for all undergraduate and graduate students to experience the benefits of living on campus, including guaranteeing the offer of a place in residence to every first year undergraduate student. As of September 2017, the University had 4545 bed spaces; resulting in available accommodation for 13% of full-time enrolment (Undergraduate and Graduate)\(^1\). With the addition of two new residences in September 2018, there will be 5262 spaces; accommodating 15% of full-time enrolment (Undergraduate and Graduate)\(^1\).

Note:
\(^1\) Based on 2016 stats.

Future planning will also include renovation and upgrades to Newton Place.

### Student Residences Capital Projects

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Approximate Cost</th>
<th>Completion</th>
<th>Alignment – “For the Public Good”</th>
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<tbody>
<tr>
<td>1. Modernization of Lister Classic Towers</td>
<td>$78,000,000</td>
<td>August 2021</td>
<td>8.i 23.ii</td>
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<tr>
<td>2. Implementation of Lister Community Plan</td>
<td>$30,000,000</td>
<td>August 2021</td>
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<tr>
<td>3. Renovate and furnish all suites in HUB</td>
<td>$15,000,000</td>
<td>August 2023</td>
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### Dining Services

Dining Services provides a wide range of food services to serve the over 55,000 students, staff and guests campus-wide. These food services are located in over 20 locations across the north campus, Campus St. Jean and south campus. Based on feedback from students and staff, investments will be made in upgrading and modernizing dining areas to create central community spaces. Flexibility of food options and variety will be increased.

The implementation of the final phase of an all-inclusive dining program will create a dining experience that offers improved food quality, more food diversity, convenience, better value, a sense of community and health, wellness and sustainability for students living in Lister Centre and Peter Lougheed Hall. Phase 1 was implemented in September 2017 with the opening of the Peter Lougheed Hall Dining Room. Students have responded well. The new meal plan will also ensure that programs delivered by Dining Services in support of student wellness are financially sustainable.

### Dining Services Capital Projects

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<td></td>
<td>other parking</td>
<td>is not yet</td>
<td></td>
</tr>
<tr>
<td></td>
<td>developments on</td>
<td>identified for</td>
<td></td>
</tr>
<tr>
<td></td>
<td>South Campus</td>
<td>the Twin</td>
<td></td>
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<td></td>
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**Parking Services Capital Projects**

**Additional projects to be contemplated in the coming five years:**

- Newton Place Modernization
- Upgrading internet/wifi across the residence portfolio
- Sound proofing of David Tuckey Gym
- Build additional hotel-style visitor suites
- Storage for Cleaning and Maintenance
- Upgrade East Campus mechanical systems
- Build an East Campus amenities space (gym, Res. Assoc. space)

Note(s)

2. An additional $2.2 million has been funded centrally by the University to improve the student experience.
Ancillary Services operate a suite of self-funded operations, including Residence Services. Among its key mandates, recently articulated in the *Guiding Principles for the operation of Residences and Dining Services*, is ensuring funds are dedicated to addressing repairs and deferred maintenance issues across the residence system.

- Repairs and maintenance make up 28% of Residence Services’ annual expenses in FY 2018. A portion of this is spent on priority maintenance issues across the residence system. The majority of priority maintenance consists of deferred maintenance issues in the older residences.
- Ancillary Services carries a current deferred maintenance liability of approximately $113 million.
  
  o In FY2018 Residence Services will spend $2.3 million on priority maintenance, to include major mechanical upgrades, such as boiler, furnace and hot water tank replacements, hazmat abatement, flooring replacement, and kitchen and bathroom upgrades.
  o It is crucial to address maintenance in the near term to reduce future expense.
  
  o Projects are broken down into four categories (Chart 1)
    1. Health, Safety and Security
      - Examples include the smoke/CO2 alarm replacement program
    2. Energy management
      - Examples include furnace, hot water tank and boiler replacements to High Efficiency at end-of-life.
    3. Stewardship and Other Deferred projects
      - Examples include asbestos removal, replacement of flooring, roofing, and cabinetry at end-of-life, and addressing code issues.
    4. Student Association Projects
      - Examples include vacuums and new equipment in Henday and MP Fitness Centre.
• The money is expended across the Residence Services inventory (Chart 2)

• Not surprisingly, the older residences generally require the most priority maintenance.
• Maintenance priorities are carefully reviewed on an annual basis in developing the project plan.
• On a go-forward basis Ancillary Services intends to continue to invest in excess of $2M annually to address priority maintenance issues.
ATTENDEES:
Andrew Sharman, Vice-President (Facilities and Operations), Chair
Andre Costopoulos, Vice-Provost and Dean of Students
Katherine Huising, Associate Vice-President (Ancillary Services)
Sylvia Fong, Senior Financial Officer (delegated by Heather Zwicker, Vice-Provost and Dean (FGSR))
Masoud Khademi, GSA Vice-President External (delegated by the President of the Graduate Students’ Association)
Hannan Mohamud ASA Vice-President of Communications (delegated by Benjamin Curry, President of the Augustana Student Association (via phone))
Robyn Paches, Vice-President Operations and Finance (Students’ Union)

GUESTS:
Geoff Rode, Director of Operations, Ancillary Services

1. Review and approve February 15th minutes
   Approved.

2. Update from BFPC meeting
   Motions put forward to the Board Finance and Property Committee (BFPC) on February 27, increase to residence and meal rate, and international tuition were recommended for approval by the Board of Governors. R. Paches indicated that the Students’ Union does not have more to add as they have made their position clear related to any increases. All Students’ Union candidates were at BFPC.

3. Capital Plan updates
   G. Rode made a couple of changes to the Capital Plan since the last RBAC meeting and recirculated it to the committee. The changes are that he added reference to Ancillary Services Guiding Principles for the operation of Residences and Dining Services mandate, and under “Additional projects to be contemplated in the coming five years”, accommodation for students who parent was added. The Capital Plan will be available on Ancillary Services website once it receives final approval. The Joint Residence Oversight Committee (JROC) and Residence Advisory Committee (RAC) will review the Capital Plan. The President’s Executive Committee will approve the plan by May 2018. Updates to the plan occur as things change.

4. Adjournment
   The next RBAC meeting on March 15 will be cancelled.

Meeting adjourned at 3:30 pm.
Ancillary Services
Capital Plan Document
North Campus, South Campus and Campus Saint-Jean

Ancillary Services is a self-funded business unit consisting of a diverse group of departments and service units that deliver strategic business solutions and generate sufficient revenue to build operational and capital reserves. The work of Ancillary Services supports the Institutional Strategic Plan “For the Public Good”. Ancillary Services’ Guiding Principles for the operation of Residences and Dining Services mandate the development of long-term capital plans which support all facilities.

These departments and service units include:
- Dining Services (Meal Services, Catering, Retail, Vending)
- Conference Services
- Summer and Year round Accommodations
- Student & Guest Services
- ONEcard
- Parking
- Residence Life
- Residence Operations

The business operations must respond to an ever-changing campus environment as well as strategically plan to respond to the marketplace.

As a self-funded unit, Ancillary Services must generate sufficient revenue to:
1. Cover all operational costs;
2. Fund deferred maintenance and minimize future deferred maintenance, and;
3. Build and maintain financial reserves to cover long-term capital investments and large expenses such as maintenance and renewal activities.

For the next four fiscal years, Ancillary Services is committing between $3m - $3.9m to address the backlog of deferred maintenance across the business unit – primarily in student residences, including dining halls. In addition to the deferred maintenance investment, Ancillary Services has identified the following capital projects.

**Student Residences**
Purpose-built student housing is a key driver leading to successful recruitment and retention of top students to the University, to learner outcomes and to strong alumni relations.

The University of Alberta presently has more than 4,500 residence spaces across its campuses and, with the opening of a fifth tower at Lister Centre and a new residence on East
Campus Village, this inventory will increase by more than 700 spaces for the 2018/19 academic year. This additional inventory will allow the University to conduct significant and long overdue renovations to each of the oldest towers in Lister Centre, over the course of three years, thus creating considerably more appealing student living spaces.

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<td>2. Lister Kitchen Upgrades</td>
<td>$1,000,000</td>
<td>September 2020</td>
<td>23.ii</td>
</tr>
<tr>
<td>3. Upgrades to CAB Lower Level</td>
<td>$1,000,000²</td>
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<tr>
<td>4. Renovations to the Marina and the Ship</td>
<td>$500,000</td>
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<tr>
<td>5. Refresh to other food outlets including Starbucks (ETLC)</td>
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2. An additional $2.2 million has been funded centrally by the University to improve the student experience.

### Parking Services

The University of Alberta provides a full range of parking and transportation related services on all campuses. A portion of parking revenues directly funds the University’s sustainable transportation initiatives, such as the student Upass and the staff LRT program.

In planning for future parking demands, the University is mindful of developments around car-share programs and hybrid vehicles – both of which are already addressed within the University parking plans. Future developments such as driverless cars and expanded public transit are influencers to planning for parking on campus.

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ATTENDEES:
Andrew Sharman, Vice-President (Facilities and Operations), Chair
Andre Bourgeois, SU Vice-President Student Life (delegated by the President of the Students Union)
Andre Costopoulos, Vice-Provost and Dean of Students
Sylvia Fong, Senior Financial Officer, FGSR (delegated by Vice-Provost and Dean (FGSR))
Katherine Huising, Associate Vice-President, Ancillary Services
Zhihong Pan, GSA Vice-President External (delegated by the President of the Graduate Student Association)

ABSENT:
Alex Ho, ASA President of Communications (via phone)

1. Meeting called to order
   11:00 am

2. Agenda
   No changes to the agenda.

3. Review of Terms of Reference
   A. Sharman reviewed the terms of reference for RBAC and the required attendees are the same for RBAC, the Residence Advisory Committee (RAC), and the Joint Residence Oversight Committee (JROC). A. Sharman provided an overview of what this committee mandate is.

4. Discussion on implementing RLTF report recommendations
   The public release of this report was in June 2018. K. Huising handed out a draft document that identifies where Residence Services was before the Residence Life Task Force report. Out of all RBAC members, none of the representatives lived in residence on campus, which was cause for consideration when it comes to discussions around residences.

   K. Huising went through each point under pre-RLTF (2017) advisory committees, changes implemented in 2017-18, and next steps for 2018-19 for RAC, Residence Services meetings and RBAC. The Residence Services meetings will continue, JROC vacancies will be filled, and have the Vice-President of Facilities and Operations co-chair.

4a. Committee Structure and Membership
   In light of the discussion of agenda item four above, K. Huising and A. Sharman are proposing to retire RBAC for now and continue with the RAC and the JROC. RAC meetings currently consist of discussions around security, budget, maintenance, communication, and things need to be consistent across the portfolio. The terms of reference will need to be discussed at RAC as well.

   With SU and GSA executives representing the presidents at RBAC, the presidents of each of these student groups did not participate in the discussions about rates at the meetings. Although there was
considerable and important dialogue at these meetings related to rates, the presidents of the SU and GSA need to be present during these discussions to ensure appropriate and thorough student engagement. K. Huisng is proposing that RAC discuss budget and that a half hour is added to the meetings from September–March as required.

RBAC will not be dissolved permanently and if suspending RBAC does not work well with the student associations, it will be brought back.

**Action**: A. Bourgeois and Z. Pan will bring the proposal to put RBAC on hold to their colleagues and will report back to RBAC about their decision.

**Action**: A. Hudson will schedule another RBAC meeting in a month.

5. **Adjournment**

Meeting adjourned at 11:40 am.