Board of Governors

Agenda and Supporting Documents

Tuesday, April 17, 2018

4 pm

Freed-Orman Commons, Assumption Hall

Please review all documents prior to the Board of Governors meeting.

All documents for this meeting are contained in the one PDF file for easy reading/printing.

RSVP to Carol Perkes: carol7@uwindsor.ca/519-253-3000 Ext. 2005

NOTICE OF MEETING
There will be a meeting of the
Board of Governors
Tuesday, April 17, 2018, 4:00 pm
Freed-Orman Commons, Assumption Hall

AGENDA

ITEM	DESCRIPTION	DOCUMENT/ACTION
Declaration of conflict of interest		
1	**Approval of the Agenda**	
2	**Minutes of the meeting of February 27, 2018**	**Allen-**Approval BG170227M
3	**Business arising from the minutes**	
4	**Outstanding Business/New Business**	
	4.1 Reports:	
	4.1.1 Remarks from the Chair	**Allen-**Information
	4.1.1.1 Request for Speaking Rights Search Process for the Seventh President and Vice-Chancellor (Noonan/Pender)	
	4.1.2 President's Report	**Wildeman-**Information
	4.2 Audit Committee	
	***4.2.1 Internal Audit Plan for 2018-2019**	**Allen-**Information BG180417-4.2.1
	4.2.2 Financing Entity Structure	**Allen**-Approval BG180417-4.2.2
	4.3 Executive Committee	
	4.4 Governance Committee	
	4.5 Investment Committee	
	4.6 Pension Committee	
	4.7 Resource Allocation Committee	
	4.7.1 2018/19 Operating Revenue	**Willis**-Information
	4.7.2 2018/19 Compulsory Ancillary Fees	**Willis**-Approval BG180417-4.7.2
	4.7.3 Residence and Food Services – Strategy and Implementation	**Willis**-Information BG180417-4.7.3

4.7.4	**2018/19 Proposed Residence Fees**	**Willis**-Approval BG180417-4.7.4
4.7.5	**2018/19 Proposed Meal Plan Fees**	**Willis**-Approval BG180417-4.7.5
4.7.6	**Green House Gas Project – HK Building and St. Denis HVAC and Lighting Efficiency**	**Willis**-Approval BG180417-4.7.6

5 In Camera

6 Adjournment

[Bylaw 1, Section 2.6 – Consent Agenda: Items that normally do not require debate or discussion either because they are routine, standard, or noncontroversial, shall be "starred" (identified by an asterisk (*)) on the agenda. "Starred" items will not be discussed during a meeting unless a member specifically requests that a "starred" agenda item be 'unstarred', and therefore open for discussion/debate. A request to "unstar" an agenda item can be made at any time before (by forwarding the request to the Secretary) or during the meeting. By the end of the meeting, agenda items which remain "starred" (*) will be deemed approved or received by the Board, as the case may be. No individual motion shall be required for the adoption of "starred" agenda items.]

University of Windsor
Board of Governors

*4.2.1: **Internal Audit Plan for 2018-2019**

Item for: **Information**

Forwarded by: **Audit Committee**

- The purpose of the Annual Internal Audit Plan is to establish priorities for the allocation of Internal Audit resources. The plan is based on a risk assessment framework, including discussions with senior management on risk areas in the institution. The plan details how the hours of Internal Audit will be allocated between audits, special projects, and other activities. The specific audit areas were selected by the Internal Auditors in consultation with members of senior management. In addition, the plan was reviewed by the University's external auditing firm, KPMG. Any significant changes to the plan will be brought to the attention of the Audit Committee.
- To ensure that Internal Audit functions, as much as possible, as an independent office, Internal Audit reports directly to the Audit Committee, then to the President. For administrative matters only, Internal Audit reports to the Vice-President, Planning and Administration.
- The Audit Committee has reviewed and approved the annual internal audit plan for 2018-2019.

University of Windsor
Board of Governors

4.2.2: **Financing Entity Structure**

Item for: **Approval**

Forwarded by: **Board Audit Committee**

MOTION: That Administration proceed with finalizing an entity structure for the construction and financing of the Lancer Sport and Recreation Complex. The entity structure will be a for-profit subsidiary corporation or a joint venture arrangement.

Background

The Lancer Sport and Recreation Complex will create a community space for students, enhance UWindsor's reputation, create a facility where high performance sport and recreational activities can co-exist, and increase capacity and diversity of programs and activities offered by the University. This new recreational facility has a project cost estimated at $73M, and will include a modern large fitness area, three basketball/volleyball courts with seating for over 2,500 spectators, an eight lane pool, several multipurpose areas, an outdoor artificial turf field, social spaces, and food outlets.

Administration engaged KPMG to investigate several organizational structures that could be considered in support of the construction and financing of the LSRC. Options considered would optimize the objectives of the project from a financing, accounting, reporting and tax perspective. Each option was measured against the following summarized stated objectives for the project:

a. Maintain the borrowing capacity for UWindsor by achieving optimal financial reporting for the project by not having to report the project debt on a full consolidated basis within the UWindsor financial statements.
b. Achieve the lowest cost of borrowing on the project which will be self-sufficient on the merits of the project with no other guarantees being provided.
c. Structure the project to maintain the highest possible tax efficiency for UWindsor and the University of Windsor Student Alliance, the Graduate Student Society, and the Organization of Part time University Students.
d. Establish a simple governance model that can be easily communicated to all parties.

Recommendation

Based on the analysis completed, it is recommended that the entity structure be either a for-profit subsidiary or a joint venture arrangement. Either of these options produce similar benefits from a tax perspective and achieve the other stated objectives. Most notably each of these options achieve the objective of maintaining the borrowing and credit rating status of UWindsor due to the financial disclosure flexibility that each of these options provide.

Beyond the specific tax issues explored, there may be an additional level of preferred governance of the hybrid structure offered by the Holdco (for-profit subsidiary). This option may also be easier to explain to stakeholders including lenders and the Student Organizations.

The recommendation is to pursue the Holdco as the preferred model to stakeholders, but be prepared to work with a joint venture arrangement should discussions with the Student Organizations and potential lenders suggest this is the more advantageous option.

Next Steps

1. Commence discussions with the Student Organizations regarding the entity structure, governance and financing model as soon as possible in preparation for commencement of construction (completed by Summer 2018).
2. KPMG LLP, in concert with UWindsor Administration, to commence discussions with potential lenders regarding the entity and the construction and permanent financing of the LSRC project (completed by Fall 2018).
3. Finalize the entity structure, establish a legal entity and complete all supporting documentation in support of a Holdco. Should a Holdco not be feasible, a joint venture arrangement should be pursued (completed by Fall 2018).

Final details on the entity structure will be brought forward to the Audit Committee and will require approval by the Board of Governors.

University of Windsor
Board of Governors

4.7.2: **2018-2019 Proposed Compulsory Ancillary Fees**

Item for: **Approval**

Forwarded by: **Resource Allocation Committee**

MOTION: That the Board of Governors approve the proposed 2018/2019 Compulsory Ancillary Fees.

Rationale:

See attached document:

- See attached Memorandum dated March 29, 2018 on the proposal for the 2018/19 Compulsory Ancillary Fees.

University of Windsor

Finance Department

TO:	Members of the Resource Allocation Committee
FROM:	David Butcher, Executive Director, Budgets & Financial Services
DATE:	March 29, 2018
SUBJECT:	2018/19 Tuition Fee Proposal

Included for the Committee's consideration are the proposed Compulsory Ancillary Fees for 2018/19, to be effective May 1, 2018. Tuition fees for 2018/19 were approved at the April 25, 2017 meeting of the Board of Governors as part of a two-year tuition proposal that was recommended by the Province as they implemented the largest reform of student assistance in the Province's history.

Many of these compulsory ancillary fees change each year based on the CPI Index, student referendums, health insurance premiums, and/or any other student organization requirements.

The Ministry of Advanced Education and Skills Development (MAESD) has not yet announced a tuition fee framework beyond 2018/19. The current framework mandated that the average tuition fee increases for domestic students be limited to a maximum of an overall institutional increase of 3%. The average annual tuition fee increase for all domestic students in non-professional programs were capped at 3% each year, approximately 1% above inflation. Tuition for professional and graduate programs could be increased up to 5%. UWindsor was compliant with the overall institutional increase of 3% for 2018/19 based on 2015/16 actual enrolment.

International tuition fees are not regulated by MAESD as universities do not receive government grants for international students. The University established international tuition fees at a tuition rate in line with the applicable government grant and tuition fee revenue generated by domestic students while considering competitive market conditions. International tuition fees were also approved at the April 25, 2017 Board of Governors' meeting.

Administration will present the details behind the proposed Compulsory Ancillary fee package at the meeting.

401 Sunset Ave, Windsor, Ontario, Canada N9B 3P4 Tel 519.253.3000 Fax 519. 561.1419

2018/19 Compulsory Ancillary Fees - Revised

	2018/19 RATES (PROPOSED)	2017/18 RATES (APPROVED)	$ INCREASE	% INCREASE
UNDERGRADUATE FULL TIME ANCILLARY FEES				
UWSA ^	58.85	58.35	0.50	0.9%
UWSA - Third Party Fees ^	20.02	19.90	0.12	0.6%
UWSA - U-Pass (student bus pass) ^	66.00	66.00	0.00	0.0%
UWSA Drug and Dental Plan *	290.00	290.00	0.00	0.0%
Health ^	22.38	22.03	0.35	1.6%
Athletics and Recreation Fee ^	93.10	91.64	1.46	1.6%
CAW Student Centre Operating - Full time ^	52.20	51.40	0.80	1.6%
CAW Student Centre Expansion - Full time ^	40.30	39.65	0.65	1.6%
Lancer Sports and Recreation Centre Fee (max of two semester assessments per year) ^ ~	62.50	62.50	0.00	0.0%
Sports and Recreation Capital Fee (maximum of two semester assessments per year) ^	19.01	18.71	0.30	1.6%
Human Kinetics Undergraduate Lounge Fee	10.00	10.00	0.00	0.0%
Human Kinetics Computer Lab	15.00	15.00	0.00	0.0%
Engineering Students' Endowment Fund ^	19.00	18.70	0.30	1.6%
Law Duplicating	17.50	17.50	0.00	0.0%
First Year Transition Support Fee (assessed first semester only)	64.31	63.30	1.01	1.6%
Education Learning Centre Fee ^	28.58	28.13	0.45	1.6%
Nursing Lab Fee 1st Year	81.61	80.33	1.28	1.6%
Nursing Lab Fee 2nd Year	81.61	80.33	1.28	1.6%
Nursing Lab Fee 3rd Year	43.52	42.84	0.68	1.6%
Nursing Lab Fee 4th Year	21.75	21.41	0.34	1.6%
Student Society Fees				
Commerce (Business)	10.00	10.00	0.00	0.0%
Computer Science	10.00	10.00	0.00	0.0%
Dramatic Arts	5.00	5.00	0.00	0.0%
Education	2.25	2.25	0.00	0.0%
Engineering	20.00	20.00	0.00	0.0%
Human Kinetics	5.00	5.00	0.00	0.0%
International Student (full time students only)	3.50	3.50	0.00	0.0%
Law	12.50	12.50	0.00	0.0%
Music	5.00	5.00	0.00	0.0%
Nursing	15.00	15.00	0.00	0.0%
Science	2.50	2.50	0.00	0.0%
Social Science	2.50	2.50	0.00	0.0%
Social Work	5.00	5.00	0.00	0.0%
Visual Arts	5.00	5.00	0.00	0.0%
UNDERGRADUATE PART TIME ANCILLARY FEES				
OPUS ^	29.24	29.16	0.08	0.3%
OPUS - Student Refugee Support Fund ^	2.00	2.00	0.00	0.0%
OPUS - U-pass (student bus pass) ^	66.00	66.00	0.00	0.0%
OPUS Drug and Dental Plan *^^	**309.97**	300.10	9.87	3.3%
Health ^	10.17	10.01	0.16	1.6%
Athletics and Recreation Fee ^	37.86	37.26	0.60	1.6%
CAW Student Centre Operating - per course (max of 5 course assessments per semester) ^	10.44	10.28	0.16	1.6%
CAW Student Centre Expansion - per course (max of 5 course assessments per semester) ^	8.06	7.93	0.13	1.6%
Lancer Sports and Recreation Centre Fee (max of two semester assessments per year) ^ ~	62.50	62.50	0.00	0.0%
Sports and Recreation Capital Fee (maximum of two semester assessments per year) ^	19.01	18.71	0.30	1.6%
Law Duplicating ^	8.75	8.75	0.00	0.0%
Student Society Fees				
Law	12.50	12.50	0.00	0.0%
Nursing	10.00	10.00	0.00	0.0%

^ Fee charged per semester

* Fee charged annually

~ The Lancer Sports and Recreation Centre fee shall be assessed commencing Fall 2019 or in the academic year that the building becomes operational, whichever comes later.

^^ Fee change amended to this document after review with Resource Allocation Committee on April 11, 2018.

2018/19 Compulsory Ancillary Fees - Revised

	2018/19 RATES (PROPOSED)	2017/18 RATES (APPROVED)	$ INCREASE	% INCREASE
GRADUATE FULL TIME ANCILLARY FEES				
Graduate Student Society ^	42.61	41.97	0.64	1.5%
GSS U-Pass (student bus pass) ^	66.00	66.00	0.00	0.0%
GSS Drug and Dental Plan (Annual Fee)	574.84	543.04	31.80	5.9%
GSS Drug and Dental Plan (8 Month Fee)	386.56	365.36	21.20	5.8%
GSS Drug and Dental Plan (16 Month Fee)	763.12	720.72	42.40	5.9%
GSS Drug and Dental Plan (4 Month Fee)	163.48	152.88	10.60	6.9%
Health ^	22.38	22.03	0.35	1.6%
Athletics and Recreation Fee ^	93.10	91.64	1.46	1.6%
Grad House ^	30.60	30.10	0.50	1.7%
CAW Student Centre Expansion - Full time ^	40.30	39.65	0.65	1.6%
Lancer Sports and Recreation Centre Fee (max of two semester assessments per year) ^ ~	62.50	62.50	0.00	0.0%
Sports and Recreation Capital Fee (maximum of two semester assessments per year) ^	14.62	14.39	0.23	1.6%
Student Society Fees				
M.B.A.	24.66	24.66	0.00	0.0%
Nursing	15.00	15.00	0.00	0.0%
GRADUATE PART TIME ANCILLARY FEES				
Graduate Student Society ^	25.09	24.70	0.39	1.6%
Health ^	10.17	10.01	0.16	1.6%
Athletics and Recreation Fee ^	37.86	37.26	0.60	1.6%
Grad House - per course (maximum of 5 course assessments per semester) ^	6.12	6.02	0.10	1.7%
CAW Student Centre Expansion - per course (max of 5 course assessments per semester) ^	8.06	7.93	0.13	1.6%
Lancer Sports and Recreation Centre Fee (max of two semester assessments per year) ^ ~	62.50	62.50	-	0.0%
Sports and Recreation Capital Fee (maximum of two semester assessments per year) ^	14.62	14.39	0.23	1.6%
Student Society Fees				
M.B.A.	12.33	12.33	0.00	0.0%
Nursing	10.00	10.00	0.00	0.0%
INTERNATIONAL STUDENT HEALTH INSURANCE				
Single coverage *	810.78	810.78	0.00	0.0%
Couple coverage (additional premium) *	1,490.14	1,490.14	0.00	0.0%
Family coverage (additional premium) *	1,834.49	1,834.49	0.00	0.0%

^ Fee charged per semester

* Fee charged annually

~ The Lancer Sports and Recreation Centre fee shall be assessed commencing Fall 2019 or in the academic year that the building becomes operational, whichever comes later.

2018/19 Compulsory Ancillary Fees - Revised

	2018/19 RATES (PROPOSED)	2017/18 RATES (APPROVED)	$ INCREASE	% INCREASE
OTHER ADDITIONAL COST RECOVERY COURSE FEES				
Advanced Photography (27-353)	50.00	50.00	0.00	0.0%
Aeronautics Flight (02-197/297/397/497)	7,750.00	7,150.00	600.00	8.4%
BioArt (27-386)	100.00	100.00	0.00	0.0%
Earth Sciences Field Camp (61-280)	0.00	0.00	0.00	0.0%
Earth Sciences Field Camp (61-380)	0.00	0.00	0.00	0.0%
Earth Sciences Field Camp (66-280)	0.00	0.00	0.00	0.0%
Earth Sciences Field Camp (67-280)	0.00	0.00	0.00	0.0%
Field Methods in Environmental Science (66-380)	350.00	250.00	100.00	40.0%
Field Measurement and Mapping Techniques (66-381)	500.00	250.00	250.00	100.0%
Ecology, Biology & Behaviour of Coral Reef Fishes (55-480/602)	0.00	0.00	0.00	0.0%
Great Lakes Field Biology (55-234)	0.00	0.00	0.00	0.0%
Great Lakes Field Biology (55-486-11)	750.00	350.00	400.00	114.3%
Great Lakes Field Biology (55-486) all other sections	350.00	350.00	0.00	0.0%
Global Perspective in Science -Costa Rica 66-380-20	2,500.00	NEW	0.00	0.0%
Global Perspective in Science -Iceland 66-380-21	3,000.00	NEW	0.00	0.0%
Global Perspective in Science - N. Europe 66-380-22	2,500.00	NEW	0.00	0.0%
Green Corridor (27-385)	50.00	50.00	0.00	0.0%
Independent Studio (27-365)	75.00	75.00	0.00	0.0%
Introductory Photography (27-253/40-205)	100.00	100.00	0.00	0.0%
Introductory Printmaking - Intaglio (27-223)	80.00	80.00	0.00	0.0%
Introductory Printmaking - Lithography (27-224)	80.00	80.00	0.00	0.0%
Introductory Sculpture (27-233)	30.00	30.00	0.00	0.0%
Kinesiology - Outdoor Education	450.00	450.00	0.00	0.0%
Kinesiology - PTA of Golf	125.00	125.00	0.00	0.0%
Kinesiology - PTA of Hockey	100.00	100.00	0.00	0.0%
Kinesiology - PTA of Squash	50.00	50.00	0.00	0.0%
Kinesiology - Sports Therapy	55.00	55.00	0.00	0.0%
MSW Practicum Fee (CEPE MSW only)	400.00	400.00	0.00	0.0%
Music Fee - Private Instruction (1/2 hour)	525.00	500.00	25.00	5.0%
Music Fee - Private Instruction (full hour)	1,050.00	1,000.00	50.00	5.0%
Photography (27-290/346/347/348)	60.00	60.00	0.00	0.0%
Printmaking (27-326)	80.00	80.00	0.00	0.0%
Sculpture (27-333)	50.00	50.00	0.00	0.0%
Studio Practice & Ideas/Space (27-105)	30.00	30.00	0.00	0.0%
Studio Practice I (27-480)	75.00	75.00	0.00	0.0%
Studio Practice II (27-481)	75.00	75.00	0.00	0.0%
VABE Transportation Fee	1,000.00	1,000.00	0.00	0.0%
Co-op Program Fee (International) # +	4,470.00	5,290.00	-820.00	-15.5%
Co-op Program Fee (Domestic) +	3,570.00	3,570.00	0.00	0.0%

^ Fee charged per semester.

* Fee charged annually.

~ The Lancer Sports and Recreation Centre fee shall be assessed commencing Fall 2019 or in the academic year that the building becomes operational, whichever comes later.

Reflects a reduction in the differential between domestic and international fees.

+ The new Campus Solutions student system will require Co-op program fees to be assessed over 6 semesters. 2017/18 program fees were assessed over 8 semesters.

University of Windsor
Board of Governors

4.7.3: **Residence and Food Services – Strategy and Implementation**

Item for: **Information**

Forwarded by: **Resource Allocation Committee**

Background:
In 2017, KPMG was engaged to conduct a review of the financial viability of the University's residence and food services operations with a view to informing the development and implementation of a sustainable long-term strategy. The scope of services included establishment of the objectives of the services. The scope also included the review of key performance criteria/metrics, review of background documentation and data, and discussions with stakeholders. An assessment of the current situation and performance was then completed based on the following framework:

- Asset inventory, deferred maintenance, and financial performance/feasibility/operating costs
- Functional programs/services
- Organization of the operations
- Demand/market, based on the University enrolment projections and competitive market factors

A visioning session was conducted with University stakeholders to review the current situation and performance, conclude on the residence and food service operations' strengths, weaknesses, opportunities and threats, develop the desired state, and document the key gaps and required strategies using the operations framework.

See attached for:
Document summarizing the key findings, analysis and recommendations
Memo outlining the implementation of the long-term strategy

1

- The University of Windsor (the "**University**" or "**UWindsor**") is experiencing shifting overall residence demand.
- The University identified a need for assistance in conducting a review of the financial viability of its Residence and Food Services operations (the "**Review**"), to inform the development and implementation of a sustainable long-term strategy focused on the student experience.
- The Review sought to address asset inventory, financial performance, program / services, organization, and demand / market factors.
- The following document summarizes the review findings, to be discussed further on April 11, 2018.

2

Aligned: Clear alignment with core teaching and research mission

Strategic: Enables achievement of the Strategic Plan

Outcomes-Based: Prioritizes investments based on potential impact on outcomes

Balanced: Seeks to minimize risk through prioritized investment and risk transfer

Collaborative: Focuses on external market collaboration rather than competition

Flexible: Positioned to adapt to changing student needs

3 Current State Performance

Residence Services

- **Sufficient Demand is not Available**: Occupancy has remained consistent year-over-year despite reduction of beds.
- **Fixed Cost Base**: The current residence expense base includes a significant portion (~35% of total expenses) as debt service payments.
- **Deferred Maintenance Risk and Impact**: Residence assets have an estimated total capital requirement of $24.5 to $30.5 million over the next 5 years.
- **Investment Versus Profit Driver**: Despite a desire to run as a cost neutral service, internal subsidies have been required to support residence and food services operations.
- **Declining Enrolment in Key Segments**: Residence services are not well aligned with current enrolment trends – enrolment growth is highest among graduate students and international students, two segments that have historically had a low proportion of students stay in residence.
- **Changing Market Factors**: Past student surveys indicate relative satisfaction, however survey results do not directly correlate with realized retention rates.

Food Services

- **Reduced Food Revenue**: Food revenue has decreased by 14% from fiscal 2014/15 to fiscal 2016/17. Growth in other types of revenue (i.e. catering) were not sufficient to make-up for reduced food revenue which is primarily driven by residence students.
- **Dependence on Residence Students:** In 2017, residence student driven revenues accounted for 79% of total revenues.
- **Correlated Revenue and Expenses**: Revenues and expenses are correlated due to a high proportion of variable costs (staffing).
- **High Staffing Costs Impacting Gross Margin**: Gross margin in 2016/17 was 15.7% as compared to a Statistics Canada food service industry average of 55.7%.

4 Market Scan Findings

Finding	Implication
uWindsor ranks 11 out of 15 in ratio of students to beds	Vacancies would be expected to below and the University challenged to meet demand, contrary to current performance
uWindsor has higher than average residence fees than other Ontario universities	There is limited room to improve financial results through increased fees
Current residence inventory is similar to Canadian comprehensive institutions	Balance of apartment and dormitory units is not a differentiator from comparable institutions
uWindsor is in the minority for food service operations, with two thirds relying on a third party provider	Limited information is availability due to competitive nature of service delivery
Institutions are challenged to deliver the functional program, in a cost effective manner, especially related to high fixed costs	Alternate revenue streams (i.e. summer terms) and capital financing approaches should be considered

5 Recommended Approach

The Review indicates that a right-sized service offering targeted at first-year students is best suited for uWindsor. Key activities include:

- **Integrate academic planning with residence operations**: University enrolment trends have the most significant impact on the operating revenues and expenses of residence and food services operations, without integration uWindsor limits the impact that residence and food services could have on enrolment outcomes (both attraction and retention)
- **Maximize occupancy in Cartier and Alumni**: With consistent high occupancy, lower deferred maintenance and positive student feedback, these buildings represent the most cost effective and student experience focused approach
- **Determine interim dining solution**: Residence students account for the significant majority of food service revenues (similar to other campuses) and must play a critical role in both top line and bottom line financial considerations, balanced against student experience considerations
- **Prepare business case for alternate food service delivery model:** For all non-residence student food service operations, conduct an analysis and transition plan to deliver an at least cost neutral operating model (capital investment may still be required in the transitional period)
- **Repurpose Laurier and Macdonald Halls:** Based on enrolment trends, consider approaches to repurpose Laurier and Macdonald halls to address a growing deferred maintenance liability

Memorandum

To: Members of the Resource Allocation Committee

From: Ryan Flannagan, Associate Vice-President, Student Experience
Anna Maria Kirby, Executive Director, Campus Services

Date: April 2, 2018

Subject: Residence Services and Food Services – Implementation of Long Term Strategy

Current Environment

As articulated in the President's communication outlining Windsor 2.0, the University's enrolment complement has changed dramatically over the last several years. The proportion of domestic to international students has changed along with the proportion of undergraduate to graduate students. The University continues to attract undergraduate students from the local tri-county area as its primary year one intake. In addition, the significant increase in international graduate enrolment in course-based masters has changed the enrolment profile at the University. This change in enrolment complement has directly impacted residence enrolment evidenced by the decline of residence students living on campus. In Fall 2013, the University had 1,275 students living on campus and in Fall 2017, there were 863 residence students, a decline of 412 students. This reduction in residence students has negatively affected Residence and Food Services' ability to be financially viable.

In addition to the above enrolment impact on the residence and food systems, the inventory and condition of capital infrastructure is also negatively impacting student satisfaction with both services. With two aging, dormitory-style residence buildings (Macdonald and Laurier) and limited ability to upgrade residence buildings due to the fiscal constraints, the state of infrastructure is also at a critical stage with significant capital investment required.

Based on the above two factors, it is timely for UWindsor to develop a long term strategy for Residence and Food Services that aligns with the University's current enrolment profile. The delivery of effective services has a direct impact on the student experience and the ability for the University to achieve its strategic plan and meet the expectations articulated in the Strategic Mandate Agreement (SMA). A financially viable strategy that will provide the appropriate operating and capital resources were the primary objectives in the development of the strategy.

Residence Services and Food Services are intricately connected therefore it was imperative that a long term strategy be developed in unison. An external consultant, KPMG, was engaged in 2017 to conduct a review and identify a long term strategy for these services. The goal of the review was to develop a strategy that would represent a "UWindsor solution" specifically responding to our enrolment complement.

External Review

KPMG's report made the following key findings:

1. Residence and Food Services should re-align its programming to prioritize its **focus on first-year students.**

2. Residence and Food Services will not have the revenues needed to modernize. The University will have to provide **some level of financial support**. This is consistent with ancillary operations in most universities.
3. Residence is critical to the UWindsor's ongoing **recruitment efforts and the student experience**.
4. UWindsor should consider **right-sizing the residence program** for the purposes of financial sustainability and to ensure a better experience for the students who live in residence.
5. A **dedicated dining hall concept** is critical to establishing a supportive environment for residence students.
6. Food Services should conduct a **thorough review** to determine the viability of continuing to deliver its services internally or through a third-party vendor who would deliver some or all services.

More details on the findings of the review will be presented by KPMG at the meeting.

Moving forward for Residence Services – An implementation plan

The strategy for Residence has been developed with a short term and long term view. In the short term (2018/19 - 2020/21), the strategy for Residence is to maintain a four building inventory (Alumni Hall, Cartier, Macdonald & Laurier) with a mix of first and upper year students. One of the key objectives through this period is recruitment of students in the residence program. In year three (2020/21), Residence will assess its four-building portfolio and recommend the future of the residence building complement. The recommendation at that time will consider the following options: 1) maintain the existing complement; 2) reduce the complement; 3) plan for a new residence, or 4) a combination of these options. Alumni Hall and Cartier are deemed to be the long-term centrepieces of any strategy and will be incorporated into each of the above options.

Based on projected residence student populations of 870 - 950 students in the short term, it is projected that Residence will run surpluses ranging from $391,000 to $1M during these years. Based on the current deferred maintenance assessment, Residence will be required to invest up to $18 million in a three-building portfolio and up to $27M for four-building portfolio over the long term. While Residence is projecting surpluses, it will not be able to address this capital investment on its own.

The following implementation plan will support the short and long term strategy for Residence:

1. First year students will be given priority in accessing the centerpiece buildings (Alumni Hall and Cartier). Upper year students will complement this priority assignment in an effort to maximize occupancy.

2. Residence programming will be enhanced to support the first year experience. The value that a residence program can bring to the student experience will be demonstrated and this value will provide a strong recruitment tool for prospective students and their parents.

3. Residence will develop innovative ways to recruit both locally and outside of the local area. Other alternate revenue sources will be investigated.

4. Residence will prioritize any renovations to the centerpiece buildings (Alumni Hall & Cartier) in the short term. In addition, health and safety and other critical improvements will occur in the tower buildings. From 2018/19 to 2020/21, Residence will plan on renovations of up to $5.0M. The planned allocation of the renovations will include $2.4M for Alumni Hall, $1.8M for Cartier, and $.8M for Laurier and Macdonald.

5. The 2018/19 Central operating budget will contribute to the capital investment noted in # 4 above. A student's residence experience has a significant impact on the performance and satisfaction of students. A contribution of $560,000 base funding to fund debt cost of an internal loan of up to $5.0M will be made available from the "Student Experience Fund".

6. During 2020/21, Residence Services in concert with Senior Administration, will recommend a “residence infrastructure strategy” that will service the campus for the long term. This strategy will be based on Residence Services’ fiscal performance in the short term, enrolment projections for the University, status and approach to address deferred maintenance for the remaining buildings, and a proposed procurement approach for a new residence building, if applicable. As noted above, the four options will be considered. A recommendation on required capital investment will form part of that review.

Moving forward for Food Services – An implementation plan

As noted above, the strategy for Residence Services has a direct impact on the Food Service operation. Again, a short term and long term implementation plan has been developed. In the case of Food Services, the short term plan is shorter, being 2018/19. In the short term, Food Services will continue to deliver its food program as currently structured. To support KPMG’s recommendation # 5, Food Services will open a transitional dedicated “dining hall” facility that will immediately enhance the residence students’ experience. This facility will be in Vanier Hall, conveniently located for residence students. A vacated food outlet will be renovated and will provide meals to residence students in a “home away from home” environment. While this space will not be able to accommodate growth, it will provide an additional option for residence student dining in the short term.

Based on projected residence student populations of 870 to 950 students, it is projected that Food Services will run modest surpluses in the short term including a repayment of an accumulated operating deficit. The challenge continues to be the ability for Food Services to make a much-needed capital investment in their facilities. The cost of renovation to open up the transitional space is approximately $300,000. The cost of this renovation will be funded from the 2018/19 Central operating budget “Student Experience Fund”.

The long term plan for Food Services will need to consider the current delivery model for the food program. As residence meal plan revenues represent approximately 50% of Food Service revenues, there is a need to reimagine the provision of food services with such a limited number of residence students. Consistent with the Residence Services’ strategy, Food Services’ primary mandate is to support residence students and their experience. When considering current fixed and variable costs, operating revenues can cover these costs but will not provide the capacity to provide for the significant capital investment required. Options on how to address the capital needs will need to be included in any delivery model.

During 2018/19, Food Services in concert with Senior Administration, will conduct a full analysis of available service delivery models. A financially viable food program will need to align with the residence strategy, the overall enrolment strategy for the institution, and fund both operating costs and capital requirements.

Conclusion

With the above short term and long term implementation plans for Residence Services and Food Services, the student experience will be impacted immediately. Implementing a “UWindsor solution” that aligns with the UWindsor strategic priorities and the Strategic Mandate Agreement will result in a financially viable solution.

University of Windsor
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4.7.4: **2018-2019 Proposed Residence Fees**

Item for: **Approval**

Forwarded by: **Resource Allocation Committee**

MOTION: That the Board of Governors approve the proposed 2018-2019 Residence Fees as referenced in Schedule 'A'.

Rationale:

See attached documents:
- Memorandum dated April 2, 2018 regarding Residence Fees and Schedule.

University of Windsor

Office of Student Experience

Memorandum

To: Members of the Resource Allocation Committee

From: Mr. Ryan Flannagan, Associate Vice-President, Student Experience
Diane Rawlings, Department Head, Residence Services

Date: April 2, 2018

Subject: 2018/19 Residence Fees

2018/19 Planning

When creating occupancy targets for the 2018/19 year, consideration was given to UWindsor's enrolment projections and the recommendations presented in the Residence & Food Services' Vision resulting from an external review conducted in 2017. While preliminary application numbers for Fall 2018 show a significant increase in applicants, it remains unclear as to how many of those applicants will chose to live on campus. For this reason, the Department has developed its 2018/19 budget with a residence population of 870 students compared to 820 in 2017/18.

Residence Services (RServices) continues to explore new areas of revenue generation and has begun a marketing campaign to attract UWindsor English Language Improvement Program (ELIP) students to stay on campus. For the first time, these students will be offered a 4 month agreement with the hopes that these student will benefit from living on campus and choose to stay in the winter semester.

In addition, an exciting partnership between the Windsor-Essex Catholic District School Board (WECDSB) and Residence & Food Services is also being developed and if approved, international high school students will be living on two floors of Laurier Hall this Fall. This is a pilot arrangement to address WECDSB's need to accommodate more students while providing a valuable revenue source for RServices. With over 300 international high school students studying in Windsor-Essex, this arrangement also serves as a significant recruitment tool for the University.

In the development of the 2018/19 operating budget, a review of each expenditure line item is completed with the aim of identifying cost savings and allocating resources to programming. RServices operates 4 residence buildings (Alumni Hall, Cartier, Laurier, Macdonald). The reduction in infrastructure resulted in savings in operating costs in 2017-2018, however, the budget continues to include $2.2 million in debt payments which represents approximately 35% of the operating budget. These legacy debt costs represent a significant ongoing challenge for the residence program.

Though substantial investments are needed in the 4 residence buildings, a significant increase to residence fees is not realistic due to the competition in the off-campus offerings. RServices' fees are in the middle range in comparison to other schools, though it should be noted that UWindsor offers a more "all inclusive" rate than some of its counterparts. In the traditional style buildings, where 45% of first-year residence students reside, fees are in the middle of the category. In the suite style accommodations, where 55% of residence students live, UWindsor's fees are higher relative to our main competitors.

For the reasons stated above, a blended fee increase of 1.7%, was proposed to the Residence and Food Services Advisory Board (RFSAB) on March 23, 2018 **(Schedule A)** and was supported unanimously by students and staff.

Long Term Planning
Continued residence enrolment challenges, the need for capital investments and the need for a sustainable fiscal model have all placed RServices in a challenging fiscal position. To meet this challenge, the Department in partnership with Food Services has developed a long-term strategy that is being presented separately to the Resource Allocation Committee.

Recommendation

Residence Services is therefore making the following recommendation:

Residence fees be increased in 2018-2019 as referenced in Schedule 'A'.

Schedule A

Residence Services
Proposed 2018/2019 Residence Fees

	2017/18 Fees	2018/19 Proposed Fees	Annual Increase ($)	Annual Increase (%)
MacDonald Hall, Laurier Hall				
Single	$6,768	$6,802	$34	0.5%
Double	$5,521	$5,576	$55	1%
Cartier Hall				
Single	$6,821	$6,889	$68	1%
Double	$6,291	$6,480	$189	3%
Alumni Hall				
Single	$7,222	$7,439	$217	3%

Compulsory Fees (added to fees above)	Double/Single (per year)	Double/Single (per year)	
Fridge	$45/$90	$45/$90	no change
Inter-Residence Council Fee	$15	$15	no change
Residence Life Fee	$20	$20	no change
Laundry	$95	$95	no change
Technology Fee	$200	$200	no change

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4.7.5: **2018-2019 Proposed Meal Plan Fees**

Item for: **Approval**

Forwarded by: **Resource Allocation Committee**

MOTION: That the Board of Governors approve the proposed 2018-2019 Meal Plan fees as listed in Appendix A.

Rationale:

See attached documents:
- Memorandum dated April 2, 2018 regarding Food Service Meal Plan Fees.

University of Windsor

Campus Services

Memorandum

To: Members of the Resource Allocation Committee

From: Anna Maria Kirby, Executive Director Campus Services
David McEwen, Department Head Food Services

Date: April 2, 2018

Subject: 2018/19 Meal Plan Fees

Background Information

Food, Catering & Conference Services (FServices) provide essential services to support students, faculty, staff and visitors to campus. FServices plays a key role in many student and community events including Head Start, Spring & Fall Open Houses, and many celebratory events that recognize excellence in academic, student and staff achievements. FServices is essential to the day to day life of students who live on campus, providing a home away from home contributing to their social and wellness needs.

2018/19 Planning

As articulated in the past, FServices' biggest challenges continue to be (1) the **development of a financially viable business model** whose foundation is built on 900 students living on campus; (2) **labour costs**, which now also needs to reflect the impact on expenses as a result of Bill 148 (increase in minimum wage to $15 per hour in January 2019 and increases in food and service costs being recovered by FService suppliers); and (3) much needed **capital investment** to refresh food concepts that align with today's trends.

Residence enrolment is a key driver of the financial health of FServices as 50% of its operating revenue is based on residence meal plans. For example, a reduction of 20 residence students from budget represents a potential shortfall of $100,000 in meal plan revenues and a $50,000 shortfall to the bottom line. Strategies under development to increase residence students will benefit FServices' and its ability to deliver a service under a sustainable model.

The full impact of Bill 148 is yet to be determined, however the initial projection suggest salaries and benefits will increase $90,000 in 2018. It is expected that the cost of goods and services will rise as a percentage as suppliers include their increase in labour costs in their pricing.

In an effort to refresh outlets, FServices has two Tim Horton's franchises that are slated for renovations in 2018/19 as mandated by their parent company. Such mandatory renovations divert available funding from developing new franchises, which could result in an increase in sales, to maintaining the existing offerings. In 2017/18, FServices converted an existing coffee shop into a Starbucks resulting in a significant increase in sales. The estimated total project cost for these 2 renovations is $300,000.

As noted in the Residence and Food Service Vision, a return to a traditional residence dining hall experience will have a positive impact on residence students. Providing for a gathering space that residence students can consider their "dining room" will offer programming opportunities in addition to the home away from home feeling. The first step in this residence hall dining strategy will be to renovate and open the old University Club space as a dining option for residence students.

FServices 2018/19 Operating Budget

A thorough review of all revenue and expenditure budget lines has been completed to develop the 2018/19 budget. The major expenditures are 1) salaries and benefits - 48.3%; 2) cost of goods sold - 30.2%; and 3) space costs and allocations - 12.3%. As part of the annual budget process, FServices engages students through the Residence and Food Services Board (RFSAB) to gain feedback on meal plan fees and the structure of the meal plans. As part of the budget strategy presented for 2018/19, a 3% increase on all meal plans was proposed, which was unanimously supported by RFSAB. FServices has benchmarked its meal plan fees with other food service providers in Southern Ontario and the proposed 3% increase positions Windsor in the middle of this peer group, with the median increase at 4.44%

Long Term Planning

FServices has been an integral part of the visioning exercise of Residence and Food Services. The strategy for the development of a long term financial strategy has been included in this vision. In 2018/19, FServices along with Senior Administration will address the next steps identified for FServices in that vision. The mandate of FServices is aligned with that of Residence Services with the provision of services to residence students, primarily 1st year students, being the priority. Further updates will be provided during 2018/19 as a thorough evaluation of service delivery is considered.

Recommendations

Approval of the 2018/2019 meal plan fees as referenced in Schedule "A".

Schedule A

Proposed 2018/19 Meal Plan Fees

Plan Distribution

Plan	Distribution 2017/2018 (874 Students)	2017/18 Rate $	2018/19 Rate $	Increase $	Increase %	Daily Increase $
Minimum*	280	4,496	4,630	134	3.0	0.64
Light	166	4,796	4,930	134	3.0	0.64
Full	352	4,996	5,146	150	3.0	0.71
Plus	76	5,196	5,352	156	3.0	0.74

*mandatory meal plan

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4.7.6: **Greenhouse Gas (GHG) Campus Retrofit Project – HK and St. Denis HVAC and Lighting Efficiency Improvements**

Item for: **Approval**

Forwarded by: **Resource Allocation Committee**

MOTION: That the University proceed with the GHG Campus Retrofit Project - HK and St. Denis HVAC and Lighting Efficiency Improvements, with a total project cost of $4,500,000.

GOALS AND OBJECTIVES FOR THE PROJECT

In late 2017, the Ontario Ministry of Advanced Education and Skills Development (MAESD) announced a competition for funding projects that reduce greenhouse gas emissions at postsecondary institutions. UWindsor was successful in obtaining a single-year project grant in the amount of $4.5M. This project supports the priorities outlined in UWindsor's Strategic Mandate Agreement (SMA) by enhancing the student experience.

The proposed project includes upgrades to eight air handling units and control systems within the conjoined Human Kinetics Building and St. Denis Centre complex, as well as new lighting with controls, and added roof insulation in the St. Denis Fieldhouse. The air handling units are old and have become extremely inefficient over time. The air handling units no longer perform as intended from both an operational and maintenance perspective, negatively affecting indoor air quality. The current equipment is a major energy user and GHG emitter within the overall campus. This project was prioritized internally as it complements work being planned for the St. Denis Centre as part of the Lancer Sport & Recreation Centre project.

The objectives of this project are to:

- Provide improved temperature, ventilation, lighting, and controls in a heavily utilized student environment;
- Reduce energy through the use of modern and efficient equipment and scheduling capabilities; and
- Eliminate maintenance and operational issues experienced with the current equipment.

This project will enable UWindsor to provide extensive benefits in the form of improved student experience, decreased maintenance issues, and a more sustainable campus through the reduction of energy and GHG emissions.

To achieve the objectives outlined in the funding agreement, UWindsor proposes to supply and install high efficiency heating and ventilation equipment with efficient motors, variable frequency drives, and modern controls with on demand/scheduling response capabilities. The St. Denis Fieldhouse will also have all lighting replaced with LEDs including controls, and insulation added to the existing roof. Conditions and environment of the space within the complex will be greatly enhanced, providing an improved learning and recreational experience.

GENERAL DESCRIPTION OF THE PROJECT

The scope of this project includes:

1. Replacement of HVAC Units that will incorporate high efficiency components, updated controls and real-time energy monitoring in the following areas:
    a. 6 St. Denis Centre Fieldhouse HVAC Units,
    b. Human Kinetics Penthouse HVAC Unit, and
    c. Human Kinetics Basement HVAC Unit.

2. Replacement of St. Denis Centre Fieldhouse Lighting
    a. New lighting will be LED including controls and sensing

3. Replacement St. Denis Centre Fieldhouse Roof Insulation
    a. New insulation will have a high enough R-value to meet energy savings and GHG emission reduction targets.

ESTIMATED TIMELINES

The timelines for this project are aligned with the funding agreement with the Province that allow for all eligible costs incurred between April 1, 2017 to the project completion date of March 31, 2019 to be funded.

PROJECT BUDGET

CONSTRUCTION COST (including Contingency)		$3,837,601
CONSULTANTS COST (CS&P Architects, Colliers PM, Energy Consultants)		$463,359
Other		$50,650
		$4,351,610
	HST @ 3.41%:	$148,390
TOTAL PROJECT COST		**$4,500,000**

FUNDING FOR THE PROJECT

The total project budget will be fully funded by the Ministry of Advanced Education and Skills Development under the Innovation Grant Fund program. No contribution is required by UWindsor.