

University of New Brunswick

Saint John Campus

Residence & Conference Services Budget
2008-09

**UNIVERSITY OF NEW BRUNSWICK
SAINT JOHN CAMPUS
EXECUTIVE SUMMARY
2008-09 RESIDENCE SYSTEM FINANCIAL PLAN**

- Projected deficit of \$191,400
- 90% occupancy rate assumed.
- No room rate increases being recommended.
- No meal plan (declining balance) rate increases being recommended.
- 10% increase in daily summer rates being recommended.
- Expenditure cost containment based on previous year's actual expenditures.
- 2007-08 financial results expected to achieve a \$67,000 surplus, which exceeds the planned surplus of \$36,000 due to achieved occupancy rate of 98% (90% budgeted), excellent summer results, and less than planned expenditures.

**University of New Brunswick
Saint John Campus
Proposed Residence Budget Plan
2008-09**

Introduction

UNB Saint John's residence system offers students the opportunity to live on campus in modern, convenient accommodations. Our two residences offer standard house amenities that include furnished TV and study lounges, high-speed internet and cable TV connections along with modern laundry facilities. Both residences foster an academic and cultural environment in non-smoking, co-ed and security card locked buildings. The residence system is supported by our residence life staff along with key partnerships with Student Services and other academic and administrative support units.

The Saint John residence system consists of the Sir James Dunn Residence (traditional-style residence) and the Dr. Colin B. Mackay Residence (two bedroom-style suite residence) which are operated as an ancillary operation for financial purposes. The MPHEC does not provide financial support to residence facilities and therefore the residence system budget is a cost-recovery operation which relies completely on accommodation revenue from residence students and conference services.

The proposed residence budget is a comprehensive report of revenues, operating expenses and capital expenditures associated with the Saint John campus residence system.

The Saint John campus has two residential buildings which can accommodate 239 students. Overall academic year occupancy for 2007-2008 was 98%.

Our strengths in residence & conference services are our students, clients and staff along with a high residence demand from new and returning students along with recurring conference business customers.

Our goal is to be continually committed to our students, university community and to maintain and grow our conference business while offering professional development to our staff/students and continued support of our residence programs with our diverse student residence population.

2008-2009 BUDGET PREPARATION

The successful experience of the residence system (239 beds) was used in preparing the 2008-2009 financial plan.

It is **recommended** that the room portion of the residence fee remain the same in order to stay competitive in the Saint John student housing market. A summary of all room rates from the beginning of our first year of operation is attached as Appendix 'A'. The existing Saint John Market and vacancy rates (see Appendix 'B') have also been taken into consideration in determining the residence fee.

UNBSJ Residence Rate Increases	
2007-08	0%
2006-07	2.5%
2005-06	5.0%
2004-05	5.0%
2003-04	2.5%

It is **recommended** that the mandatory meal plan fees be maintained with the two meal plans in the amount of \$2,100 and \$2,400 for those students living in the Sir James Dunn residence. The \$300 and \$800 meal plan for the students living in the Dr. Colin B. Mackay residence will remain unchanged.

The residence house dues of \$50 that the University collects on behalf of the students will remain unchanged. The 2008-09 budgeted operating expenditures are based upon the previous years' actual expenditures, with minor changes in both directions as appropriate.

The following table summarizes the 2008-2009 fees associated with the residence system in Saint John:

SAINT JOHN CAMPUS SUMMARY OF RESIDENCE FEES	
	PROPOSED 2008-09
<u>Sir James Dunn Residence</u>	
- Large Single	\$ 4,257
- Single	\$ 3,924
- Double	\$ 3,449
- Meal Plan I	\$ 2,100
- Meal Plan II	\$ 2,400
<u>Dr. Colin B. Mackay Residence</u>	
- Two Bedroom Suites	\$ 4,401
- Meal Plan III (taxable)	\$ 300
- Meal Plan IV (taxable)	\$ 800

Food Plan

The Saint John Campus residence food plan, operated by an external food contractor, Aramark Campus Services, is a 'declining balance' board plan which offers several advantages over the traditional types of plans:

Convenience – students do not need to rush to meals served only in one dining hall. Students have the flexibility to eat in the Baird Dining Hall or at Tim Horton's, which are both operated by Aramark.

No missed meals – students who go home on weekends, play team sports or have untimely schedules for meals need not worry about paying for meals they miss.

No HST – meal plans I and II are tax exempt.

Security – students do not need to carry cash at any time on campus to enjoy a meal or a snack – they just use their student ID card.

Students are **not expected to eat limited menu items** at precise meal times. They have the flexibility to eat at their leisure, and choose a menu that agrees with them for that meal.

All plans allow students to **purchase additional 'debits'** in increments of \$25.00 should their original balance purchased reach zero.

Conference Services

Recruitment of the Conference Coordinator position, June 2004, has had a positive impact on Conference Services. The Conference Coordinator has increased awareness in the local community about UNB Saint John’s summer hotel services by use of marketing materials and by nurturing local partnerships with the Saint John tourism community and Sport New Brunswick. As a result of increasing awareness and having an individual dedicated to Conference Services, summer revenue has been increasing each year, with the greatest increases seen in the modern Dr. Colin B. Mackay Residence.

The 2008-2009 summer rates will change slightly due to rising costs. This will keep UNB Saint John’s accommodation prices competitive with other universities in the Atlantic Provinces with similar facilities and services.

SUMMER ACCOMODATIONS RATES		
	Daily	
Summer Rates		
Single	\$ 32.00	Plus tax
Double	\$ 45.00	Plus tax
Suite	\$ 72.00	Plus tax
Additional persons \$5.00 plus tax		
Student Rates per person		Weekly
Single		\$100
Two Bedroom Suite – per person		\$125

**UNB SAINT JOHN CAMPUS
CONSOLIDATED RESIDENCE SYSTEM
2008-09 BUDGET**

	<u>2008-09</u>	<u>2007-08</u>
NUMBER OF RESIDENTS	239	239
REVENUE		
Students Income	\$ 913,187	\$ 913,187
Summer Income	245,000	245,000
Vacancy Allowance (note budget is 90% occupancy)	-	-
Meal Plan Income	170,000	170,000
Apartment Rentals	13,000	13,000
Coin Laundry	10,000	10,000
House Fines	1,000	1,000
TOTAL REVENUE	<u>\$ 1,352,187</u>	<u>\$ 1,352,187</u>
OPERATING EXPENSES		
Travel/Entertainment Pool	\$ 11,870	\$ 11,870
Residence Assistant Training	2,400	2,400
Steam Heat	32,000	32,000
Electrical	84,000	84,000
Water	23,000	23,000
Renovation/Maintenance Pool	23,500	23,500
Cleaning Contractor	60,000	60,000
Meal Plan Expenses Contractor	170,000	170,000
Garbage Contractor	12,000	12,000
Telephone Contract	75,173	89,000
Internet Contract	48,000	48,000
Cable Contract	28,600	27,050
Elevator Contract	6,600	5,000
Management Fee Physical Plant	39,500	39,500
Misc. Maintenance Contracts	5,000	5,000
Repair/Cleaning Supplies	17,000	17,000
Laundry Service	4,000	4,000
Furniture & Equipment	12,000	12,000
Office operating expenses	22,690	22,949
House fines - spent	1,000	1,000
TOTAL OPERATING EXPENSES	<u>\$ 678,333</u>	<u>\$ 689,269</u>
SALARY EXPENSES		
Full Time Salaries	\$ 140,018	\$ 146,742
Maternity Leave	-	3,496
Residence Assistants	26,406	26,406
Summer Students Office/Cleaning	25,095	25,095
Fringe Benefit Costs	29,248	30,559
Meal Plan - RAL	2,100	2,100
TOTAL SALARY EXPENSES	<u>\$ 222,867</u>	<u>\$ 234,398</u>
TOTAL EXPENSES BEFORE DEBT SERVICE AND CAPITAL RENEWAL	<u>\$ 901,200</u>	<u>\$ 923,667</u>
CAPITAL RENEWAL	46,037	36,000
DEBT SERVICE	596,350	583,920
FINAL NET INCOME	<u>\$ (191,400)</u>	<u>\$ (191,400)</u>

NOTE TO FINANCIAL (In Kind - Apartment costs for RAL and RCL for 12 month period at \$575 respectively)

APPENDIX “A”

SIR JAMES DUNN RESIDENCE ROOM & APARTMENT RATES				
Year	Large Single	Single	Double	Apartments (Per Month)
1993-94	\$ 2,734	\$ 2,734	\$ 2,189	\$ 575
1994-95	2,734	2,734	2,189	575
1995-96	2,835	2,835	2,260	575
1996-97	3,050	3,050	2,350	575
1997-98	3,210	3,210	2,470	575
1998-99	3,410	3,210	2,470	575
1999-00	3,410	3,210	2,470	575
2000-01	3,474	3,274	2,520	575
2001-02	3,655	3,355	2,583	575
2002-03	3,738	3,438	2,648	575
2003-04	3,824	3,524	2,714	575
2004-05	4,015	3,700	2,850	575
2005-06	4,215	3,885	3,135	575
2006-07	4,257	3,924	3,449	575
2007-08	4,257	3,924	3,449	575
PROPOSED 2008-2009	4,257	3,924	3,449	575

DR. COLIN B. MACKAY RESIDENCE TWO-BEDROOM SUITE RATES	
Year	Rate Per Person
2003-04	\$ 3,950
2004-05	4,150
2005-06	4,357
2006-07	4,401
2007-08	\$ 4,401
Proposed 2008-09	4,401

APPENDIX “B”

COMPARABLE (AVERAGE) APARTMENT RENTS SAINT JOHN AREA								
Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom	
	2007	2006	2007	2006	2007	2006	2007	2006
South-1	433	382	519	472	626	616	682	684
West-2	350		436	438	527	532	624	546
North-3	413	426	485	472	593	549	619	594
East-4	407	379	477	440	542	526	631	585
Saint John (1-4)	421	389	495	464	581	563	640	602

Most sought after by students is in Zone 3, and preferably within walking distance of the University (Zone 3). The above Saint John area rental charges may or may not include heat.

VACANCY RATES (%) BY ZONES SAINT JOHN AREA								
Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom	
	2007	2006	2007	2006	2007	2006	2007	2006
*South-1	No Data	No Data	7.8	No Data	No Data	3.2	No Data	No Data
*West-2	No Data	No Data	3.4	No Data	2.6	3.9	No Data	No Data
*North-3	No Data	No Data	4.3	No Data	5.8	NoData	4.9	No Data
East-4	No Data	No Data	6.3	7.0	4.2	7.6	1.0	4.4
Saint John (1-4)	5.8	No Data	6.2	6.8	5.3	6.4	3.1	4.3

* Data suppressed to protect confidentiality or data is not statistically reliable.

Source: CMHC Rental Market Report, October, 2007
 Saint John, Canadian Mortgage & Housing Corporation

Apartment rents increase slightly on the Canadian Average