



STAFF REPORT ACTION REQUIRED

2014 - 2023 Capital Budget and Plan Adoption

Date:	February 10, 2014
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is for the Toronto Public Library Board to adopt the Council-approved 2014 - 2023 capital budget and plan of \$242.841 million gross (\$154.465 million debt), which includes a 2014 budget of \$26.925 million gross (\$13.230 million debt).

The approved 2014 - 2023 capital budget and plan meets the City's debt targets and allows the Library to meet its current capital needs while also addressing some of its state of good repair backlog.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. adopts the 2014 - 2023 capital budget and plan of \$242.841 million gross (\$154.465 million debt), as detailed in Attachment 1 and comprised of:
 - a. 2014 capital budget of \$26.925 million gross (\$13.230 million debt) with future year commitments of \$37.482 million gross (\$27.330 million debt); and
 - b. 2015 - 2023 uncommitted capital plan totalling \$178.434 million gross (\$113.905 million debt).

FINANCIAL IMPACT

The 2014 capital budget consists of \$26.925 million gross (\$13.230 million debt) with future year commitments of \$37.482 million gross (\$27.330 million debt). The 2015 - 2023 uncommitted capital plan total of \$178.434 million gross (\$113.905 million debt) consists of estimates for projects starting between 2015 and 2023. The recommended budget and plan meets City debt targets and is detailed in Attachment 1 and summarized in the following tables:

Gross & Debt Funding

Description (\$000's)	2014	2015 - 2023										Total 2014 -2023	
		2015	2016	2017	2018	2019	2020	2021	2022	2023	Total 2015- 2023		
GROSS	Budget: Projects appvd. 2014/earlier	26,925	19,490	13,706	4,286	-	-	-	-	-	-	37,482	64,407
	Plan: Projects starting after 2014		1,078	9,263	22,304	21,312	27,668	21,328	22,499	29,540	23,422	178,414	178,414
	Total gross cash flow	26,925	24,665	18,488	19,865	21,110	22,170	25,311	23,561	31,231	19,982	215,896	242,821
DEBT	Budget: Projects appvd. 2014/earlier	13,230	13,977	10,438	2,915	-	-	-	-	-	-	27,330	40,560
	Plan: Projects starting after 2014		473	4,800	13,150	16,933	16,933	16,933	16,933	15,750	12,000	113,905	113,905
	Total debt funding	13,230	14,450	15,238	16,065	16,933	16,933	16,933	16,933	15,750	12,000	141,235	154,465
Operating Impacts	955	812	79	56	861	879	57	69	143	124			

Summary of Funding Sources

Description (\$000's)	2014	2015 - 2023										Total 2014 -2023
		2015	2016	2017	2018	2019	2020	2021	2022	2023	Total 2015- 2023	
Debt	13,230	14,450	15,238	16,065	16,933	16,933	16,933	16,933	15,750	12,000	141,235	154,465
Development Charges	3,690	3,107	5,617	7,263	2,291	8,607	2,187	2,156	5,494	4,785	41,507	45,197
Reserve Funds	6,692	1,103	146	1,234	-	-	-	-	2,600	-	5,083	11,775
Other	3,313	1,908	1,968	2,028	2,088	2,148	2,208	3,410	5,696	6,637	28,091	31,404
Total funding	26,925	20,568	22,969	26,590	21,312	27,688	21,328	22,499	29,540	23,422	215,916	242,841

The expansion and construction of new libraries result in operating pressures in 2014, 2015, 2018, and 2019. In 2014, the operating impact of \$0.955 million is mainly due to the first-year operating costs for the two new branches (Fort York and Scarborough Civic Centre) and this is included in the approved 2014 operating budget. In 2015, the \$0.812 million cost increase is mainly related to the annualization of operating costs for the two new branches.

Financing charges associated with the approved capital budget are budgeted by the City.

The Director, Finance and Treasurer has reviewed this financial impact statement and is in agreement with it.

DECISION HISTORY

At its June 24, 2013 meeting, the Library Board approved a 2014 - 2023 capital budget and plan submission of \$24.935 million gross (\$13.230 million debt) for 2014 and \$241.811 million gross (\$154.465 million debt) over 2014 - 2023.

At its October 21, 2013 meeting, the Board approved revisions to the 2014 - 2023 capital budget and plan submission, affecting funding for the following projects:

1. Technology Asset Management Program (TAMP);
2. Pan Am Games Program;
3. Library Processing Centre Relocation to Ellesmere; and
4. Multi-Branch Renovation Program.

These adjustments resulted in a revised 2014 - 2023 capital budget and plan submission of \$26.925 million gross (\$13.230 million debt) for 2014 and \$242.841 million gross (\$154.465 million debt) over 2014-2015, which continues to meet City debt targets.

The City's Budget Committee recommended to the Executive Committee, the Board-approved 2014 - 2023 capital budget and plan request.

COMMENTS

At its meeting on January 22, 2014, the Executive Committee adopted a motion to recommend the Board-approved capital budget and plan to City Council.

At its meeting on January 29 - 30, 2014, Council approved the Board-approved capital budget and plan that will allow the Library to meet its current capital needs while also addressing some of its state of good repair backlog.

In addition, Council adopted the following recommendations:

Recommendation #42: City Council direct the General Manager, Parks, Forestry and Recreation and the Chief Librarian to report back through the 2015 budget process on a cost-sharing mechanism for the underground parking facility for the new Bessarian Community Centre. The report is to include financial opportunities from commercial parking vendors who may wish to contribute to the financing of the construction.

Recommendation #314: City Council request the Toronto Public Library Board to undertake a study of priorities and objectives in terms of capital and operating costs for the Toronto Public Library resulting in reinvestment opportunities for the Toronto Public Library for the next 10 years (2014-2024) with the exact parameters of the study to be confirmed by the Toronto Public Library Board in consultation with major stakeholders including the Toronto Public Library Workers Union and non-union management.

Final 2013 year-end capital budget adjustments and unspent balances carried-forward will be determined in 2014 and will change the available 2014 cash flow. Council approval of the 2014 - 2023 budget and plan confers authority to spend the 2014 budget only. Spending requirements for each of the future years have to be submitted annually for approval.

Section 24(2) of the Public Libraries Act requires the Board to adopt the annual estimates that have been approved by City Council.

CONTACT

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SIGNATURE

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City Librarian

ATTACHMENTS

Attachment 1: Toronto Public Library 2014 - 2023 Capital Budget and Plan