



## STAFF REPORT ACTION REQUIRED

### 2013 - 2022 Capital Budget and Plan Adoption

<b>Date:</b>	January 21, 2013
<b>To:</b>	Toronto Public Library Board
<b>From:</b>	City Librarian

#### SUMMARY

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The purpose of this report is for the Toronto Public Library Board to adopt the 2013 - 2022 Capital Budget and Plan of \$237.177 million gross (\$153.683 million debt), which includes a 2013 budget of \$30.794 million gross (\$10.968 million debt), subject to Council approval at its meeting of January 15 to 17, 2013.

The recommended 2013 - 2022 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

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##### **The City Librarian recommends that the Toronto Public Library Board:**

1. adopts the 2013 - 2022 capital budget and plan of \$237.177 million gross (\$153.683 million debt), subject to Council approval, as detailed in Attachment 1 and comprised of:
  - a. 2013 capital budget of \$30.794 million gross (\$10.968 million debt) with future year commitments of \$39.632 million gross (\$26.304 million debt); and
  - b. 2014 - 2022 capital plan totalling \$166.751 million gross (\$116.411 million debt).

#### FINANCIAL IMPACT

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The 2013 capital budget consists of \$30.794 million gross (\$10.968 million debt) with future year commitments of \$39.632 million gross (\$26.304 million debt). The 2014 - 2022 capital plan total of \$166.751 million gross (\$116.411 million debt) consists of estimates for projects starting between 2014 and 2022. The recommended budget and

plan meets City debt targets and is detailed in Attachment 1 and summarized in the following table:

Description (\$000's)	2013	2014 - 2022										Total 2013 -2022	
		2014	2015	2016	2017	2018	2019	2020	2021	2022	Total 2014- 2022		
<b>GROSS</b>	<b>Budget:</b> Projects appvd. 2013/earlier	30,794	24,102	13,575	3,055	800	-	-	-	-	-	41,532	72,326
	<b>Plan:</b> Projects starting after 2013		563	4,913	16,810	20,310	22,170	25,311	23,561	31,231	19,982	164,851	164,851
	<b>Total gross cash flow</b>	30,794	24,665	18,488	19,865	21,110	22,170	25,311	23,561	31,231	19,982	206,383	237,177
<b>DEBT</b>	<b>Budget:</b> Projects appvd. 2013/earlier	10,968	13,230	10,019	3,055	-	-	-	-	-	-	26,304	37,272
	<b>Plan:</b> Projects starting after 2013		-	4,431	12,183	16,065	16,933	16,933	16,933	16,933	16,000	116,411	116,411
	<b>Total debt funding</b>	10,968	13,230	14,450	15,238	16,065	16,933	16,933	16,933	16,933	16,000	142,715	153,683
<b>Operating costs/(savings)</b>	(153)	904	1,093	58	76	996	817	120	150	56			

Net operating savings of \$0.153 million in 2013, resulting from an investment in technology, is included in the recommended 2013 operating budget expected to be approved by Council. Major future operating budget impacts reflect the additional costs associated with the two new branches (2014 and 2015), and the relocation and expansion of the St. Lawrence Branch (2018 and 2019).

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 September 24, 2012 meeting, the Library Board approved a 2013 - 2022 capital budget and plan submission of \$33.297 million gross (\$12.968 million debt) for 2013 and \$257.680 million gross (\$173.683 million debt) over 2013 - 2022, which exceeds the City annual debt target by \$2 million per year, to help address the Library building state of good repair backlog.

At its November 29, 2012 meeting, the Board received details of the City Manager recommended capital budget and plan of \$31.297 million gross (\$10.968 million debt) for 2013 and \$237.680 million gross (\$153.683 million debt) over 2013 - 2022, which meets the City annual debt target and therefore does not include the additional \$2 million per year for state of good repair needs.

At the November 29, 2012 meeting, the Board also approved capital budget adjustments to reflect capital spending in 2012 and cash flow impacts in 2013. These adjustments have been reflected in the 2013 recommended budget:

- Toronto Reference Library - \$1.5 million gross (\$0.997 million debt): increase 2012 / decrease 2013.
- Fairview library - \$0.997 million gross and debt: decrease 2012 / increase 2013.

## **COMMENTS**

The City Manager recommended 2013 - 2022 capital budget and plan, which meets annual debt targets, was reviewed by Budget Committee and recommended without amendment to Executive Committee. At the Executive Committee meeting on January 10, 2013, the recommended budget and plan was adopted without amendment. The recommended budget will allow the Library to meet its current capital needs while also addressing some of its state of good repair backlog.

The budget and plan will be considered at the Council meeting of January 15 to 17, 2013.

Earlier in 2012, the Library applied for \$1 million of state of good repair funding under a Federal Community Infrastructure Improvement Fund (CIIF) program; the application was unsuccessful.

Final 2012 year-end capital budget adjustments and unspent balances carried-forward will be determined in 2013 and will change the available 2013 cash flow. Council approval of the 2013 - 2022 budget and plan confers authority to spend the 2013 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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Jane Pyper  
City Librarian

## **ATTACHMENTS**

Attachment 1: Toronto Public Library 2013 - 2022 Capital Budget and Plan