

2020-2029 Capital Budget and Plan – Adoption

Date:	February 24, 2020
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to seek Toronto Public Library (TPL) Board adoption of the approved 2020-2029 capital budget and plan of \$23.421million debt (\$37.459 million gross) for 2020 and \$317.999 million debt (\$416.414 million gross) over 2020-2029, which is an increase of \$100.090 million or 32% over the prior year 10-year plan, as approved by Council on February 19, 2020.

The 2020-2029 Council-approved capital budget and plan reflects TPL’s demonstrated ability to deliver on its capital program, including modernizing library buildings to address a significant State of Good Repair (SOGR) backlog while providing flexible public spaces that meet the needs of the 21st century library service, innovative digital technologies, and extensive computer services.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. adopts the 2020-2029 capital budget and plan of \$23.421 million debt (\$37.459 million gross) for 2020 and \$317.999 million debt (\$416.414 million gross) over 2020-2029, comprised of:
 - 1.1 2020 cash flows and future year commitments totalling \$120.788 million debt (168.632 million gross) as summarized in Table 1; and
 - 1.2 2021-2029 uncommitted future year capital projects totalling \$197.211 million debt (\$247.782 million gross) in project estimates as summarized in Table 1.

FINANCIAL IMPACT

TPL's approved 2020-2029 capital budget and plan, including preliminary carry-forward funding of \$4.155 million debt (\$6.605 million gross), consists of a 2020 cash flow of \$23.421 million debt (\$37.459 million gross) and total 2020-2029 cash flows of \$317.999 million debt (\$416.414 million gross), and represents a significant increase of \$100.090 million or 32% over the prior year 10-year plan to help TPL fund technology and building needs. The approved budget and plan reflects TPL's demonstrated ability to deliver on its capital program, having achieved a five-year average capital spending rate of 87%.

The Council-approved budget and plan is comprised of 2020 cash flow projects with future year commitments, including carry-forward funding and 2021-2029 uncommitted capital projects. The following table summarizes these components of the budget and plan:

Table 1: 2020-2029 Approved Capital Budget and Plan Summary
Committed and Uncommitted Cash Flow (\$ Millions)

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2020-2029 (Incl. Carry Forward)
Gross											
2020 Projects with future year commitments including carry forward funding (see Note 1)	37.459	43.217	38.922	23.353	23.306	2.375	-	-	-	-	168.632
Uncommitted Future Year Projects (Commencing in 2021 & beyond) - (see Note 2)	-	2.252	8.662	18.998	20.280	35.814	38.603	39.336	39.942	43.895	247.782
Total Gross	37.459	45.469	47.584	42.351	43.586	38.189	38.603	39.336	39.942	43.895	416.414
Debt											
2020 Projects with future year commitments including carry forward funding	23.421	31.258	28.301	18.294	17.833	1.681	-	-	-	-	120.788
Uncommitted Future Year Projects (Commencing in 2021 & beyond)	-	1.358	5.388	16.275	15.740	29.612	31.823	31.421	31.140	34.454	197.211
Total Debt	23.421	32.616	33.689	34.569	33.573	31.293	31.823	31.421	31.140	34.454	317.999

Note 1: Project listing of 2020 projects with future year commitments can be found in Appendix 5a (page 26) of the [2020 Budget Notes](#).

Note 2: Project listing of uncommitted future year projects can be found in Appendix 5b (page 27) of the [2020 Budget Notes](#).

Council approval of the 2020-2029 budget and plan only confers authority to spend the 2020 budget and related future year spending for approved projects within the 2020 budget plan. This amounts to \$120.788 million debt (\$168.632 million gross), including carry forward from 2019. Spending requirements for projects commencing in future years have to be submitted annually for approval.

The Director, Finance and Treasurer has reviewed this financial impact statement and agrees with it.

DECISION HISTORY

At the meeting on November 25, 2019, the Library Board endorsed the [revised 2020-2029 Capital Budget and Plan](#) of \$24.465 million debt (\$38.503 million gross) for 2020 and \$426.236 million debt (\$527.958 million gross) over 2020-2029, which is comprised of funding for 30 projects that reflects TPL's Capacity to Spend Capital Budget and Plan of \$332.427 million debt (\$434.149 million gross) and funding for four projects that reflect TPL's Capital Needs Constraints of \$93.809 million debt and gross.

COMMENTS

At its final meeting on February 4, 2020, the City's Budget Committee endorsed the [City Staff-Recommended 2020-2029 Capital Budget and Plan](#) for TPL of \$317.999 million debt (\$416.444 million gross), which is comprised of all 30 capital projects in the Board's Capacity to Spend Capital Budget and Plan request with the exception of the construction phase of the Lillian H. Smith Library project. The design phase of the Lillian H. Smith Library project is recommended, but the construction phase is not recommended as it was moved to Capital Needs Constraints to assist the City in managing its debt levels.

At its meeting on February 13, 2020, the Executive Committee endorsed the Budget Committee's recommended 2020-2029 Capital Budget and Plan.

At its meeting on February 19, 2020, Council approved the 2020-2029 capital budget and plan, as recommended by Executive Committee, of \$23.421 million debt (\$37.459 million gross) for 2020 and \$317.999 million debt (\$416.414 million gross) over 2020-2029 (including preliminary carry forward from 2019). The approved 10-year plan represents a significant increase of \$100.090 million or 32% over the prior year 10-year plan, which helps TPL to fund technology and building needs. The projects included in the approved budget and plan are listed in Attachment 1.

The Council-approved 2020-2029 capital budget and plan does not include any of the five projects in Capital Needs Constraints totalling \$107.836 million of debt funding (\$111.544 million gross) as listed in Attachment 2. The majority of the Capital Needs Constraints projects involve other city partners and are well into the future. Funding for these projects will need to be addressed in future budgets.

The State of Good Repair (SOGR) backlog, over the next 10 years, is expected to increase from \$103.139 million or 7.6% of total asset value at the end of 2019 to \$167.498 million or 12.0% of the total asset value at the end of 2029. The last Building Condition Assessment (BCA) was conducted in 2014, and work is well underway to

update that report. The combination of the new BCA report and the Facilities Master Plan will inform future budgets to address the SOGR backlog.

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

CONCLUSION

The 2020-2029 Council-approved capital budget and plan reflects TPL's demonstrated ability to deliver on its capital program, including modernizing library buildings to address a significant SOGR backlog while providing flexible public spaces that meet the needs of the 21st century library service, innovative digital technologies, and extensive computer services. However, it does not completely address the significant SOGR backlog issue. The need for additional funding to address the growing SOGR backlog continues to be a concern.

CONTACT

Larry Hughsam; Director, Finance & Treasurer; Tel: 416-397-5946;
Email: lhughsam@tpl.ca

SIGNATURE

Vickery Bowles
City Librarian

ATTACHMENTS

- Attachment 1: Council-Approved 2020-2029 Capital Budget & Plan – Gross and Debt Funding
- Attachment 2: 2020-2029 Capital Needs Constraints – Projects not approved by Council

TORONTO PUBLIC LIBRARY
2020 - 2029 Capital Budget and Plan - Gross and Debt Funding
(\$millions)

Attachment 1

Council Approved February 19, 2020

	PROJECT INFORMATION					Gross										TOTAL 2020 - 2029 (incl cfwd \$6.605)	Debt										TOTAL 2020 - 2029 (incl cfwd \$4.155)
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O		Q	R	S	T	U	V	W	X	Y	Z	
PROJECT NAME	Cost Est.	Develop. Charges	S. 37/ 45/ Reserves	Other Funding	Debt	2020 (incl cfwd \$1.209)	2021 (incl cfwd \$3.075)	2022 (incl cfwd \$2.321)	2023	2024	2025	2026	2027	2028	2029	2020 (incl cfwd \$1.043)	2021 (incl cfwd \$1.794)	2022 (incl cfwd \$1.318)	2023	2024	2025	2026	2027	2028	2029		
Technology Projects																											
1 Tech Asset Mgmt Prg (TAMP)	62.634	2.535	-	13.780	46.319	5.124	5.151	5.492	6.429	6.780	6.754	7.793	6.214	6.369	6.528	62.634	3.323	3.722	3.754	4.665	5.020	5.326	6.010	4.786	4.563	5.150	46.319
2 Service Modernization and Transformation	11.204	0.595	-	-	10.609	1.000	1.025	1.051	1.077	1.104	1.131	1.160	1.189	1.218	1.249	11.204	0.769	1.025	1.011	1.039	1.077	1.070	1.104	1.114	1.191	1.209	10.609
3 Virtual Branch Services (VBS)	15.000	11.517	-	-	3.483	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	15.000	0.438	0.225	0.225	0.480	0.225	0.480	0.225	0.480	0.225	0.480	3.483
4 Answerline & Community Space Rental Modernization	1.400	0.061	-	-	1.339	0.745	-	-	-	-	-	-	-	-	-	0.745	0.745	-	-	-	-	-	-	-	-	-	0.745
5 Integrated Payment Solutions	2.250	0.098	-	-	2.152	0.133	-	-	-	-	-	-	-	-	-	0.133	0.133	-	-	-	-	-	-	-	-	-	0.133
6 Expansion of Technological Efficiencies	1.600	0.069	-	-	1.531	0.165	-	-	-	-	-	-	-	-	-	0.165	0.165	-	-	-	-	-	-	-	-	-	0.165
Total Technology Projects	94.088	14.875	-	13.780	65.433	8.667	7.676	8.043	9.006	9.384	9.385	10.453	8.903	9.087	9.277	89.881	5.573	4.972	4.990	6.184	6.322	6.876	7.339	6.380	5.979	6.839	61.454
Building Projects																											
7 Multi-Branch Renovation Program (SOGR)	90.775	7.334	-	-	83.441	5.970	6.714	7.532	7.498	6.730	6.427	9.966	12.098	12.240	15.600	90.775	5.044	5.944	7.356	6.360	6.654	5.260	9.860	10.345	11.942	14.676	83.441
8 Albert Campbell	17.939	1.276	-	-	16.663	3.928	6.038	5.963	-	-	-	-	-	-	-	15.929	3.587	6.038	5.156	-	-	-	-	-	-	-	14.781
9 Bayview-Bessarion	15.322	6.761	-	0.580	7.981	4.082	4.502	2.900	-	-	-	-	-	-	-	11.484	1.690	1.791	1.242	-	-	-	-	-	-	-	4.723
10 Centennial	11.483	3.438	-	-	8.045	0.166	1.500	4.150	5.499	-	-	-	-	-	-	11.315	-	0.725	2.281	4.872	-	-	-	-	-	-	7.878
11 Dawes Road	19.824	8.695	-	1.200	9.929	0.200	-	2.000	4.612	5.532	2.375	-	-	-	-	14.719	0.030	-	0.375	3.272	3.044	1.681	-	-	-	-	8.402
12 Wychwood	15.796	7.558	1.500	1.400	5.338	3.790	3.281	2.503	-	-	-	-	-	-	-	9.574	1.084	0.239	1.123	-	-	-	-	-	-	-	2.446
13 York Woods	11.758	1.714	-	-	10.044	3.359	3.880	2.000	-	-	-	-	-	-	-	9.239	2.720	3.268	1.551	-	-	-	-	-	-	-	7.539
14 North York Central Phase 2	12.718	0.931	-	-	11.787	3.454	3.602	2.055	-	-	-	-	-	-	-	9.111	2.569	3.556	2.055	-	-	-	-	-	-	-	8.180
15 Maryvale	2.714	1.345	-	0.822	0.547	1.648	1.066	-	-	-	-	-	-	-	-	2.714	-	0.547	-	-	-	-	-	-	-	-	0.547
16 Northern District - Streetscaping	0.990	-	0.990	-	-	0.495	0.495	-	-	-	-	-	-	-	-	0.990	-	-	-	-	-	-	-	-	-	-	-
17 Northern District	12.630	0.815	-	-	11.815	0.100	0.151	2.453	5.166	4.760	-	-	-	-	-	12.630	0.080	0.151	1.658	5.166	4.760	-	-	-	-	-	11.815
18 TRL	20.000	1.025	-	-	18.975	1.500	2.250	2.250	2.000	2.000	2.000	2.000	2.000	2.000	2.000	20.000	1.044	2.250	2.219	1.915	1.980	1.872	1.962	1.850	1.982	1.901	18.975
19 Mall Branch	6.119	2.360	-	-	3.759	0.100	3.562	2.457	-	-	-	-	-	-	-	6.119	-	2.502	1.257	-	-	-	-	-	-	-	3.759
20 Weston	10.176	0.964	-	-	9.212	-	0.266	0.266	-	3.510	3.873	2.261	-	-	-	10.176	-	0.222	0.266	-	2.590	3.873	2.261	-	-	-	9.212
21 Barbara Frum	18.273	1.447	-	-	16.826	-	0.486	0.487	4.090	6.328	6.882	-	-	-	-	18.273	-	0.411	0.487	3.016	6.030	6.882	-	-	-	-	16.826
22 Richview	3.546	0.260	-	-	3.286	-	-	1.219	1.037	1.054	-	-	-	-	-	3.310	-	-	0.977	1.037	1.054	-	-	-	-	-	3.068
23 High Park	9.188	0.950	-	-	8.238	-	-	0.242	0.243	-	1.964	3.973	2.766	-	-	9.188	-	-	0.208	0.243	-	1.200	3.821	2.766	-	-	8.238
24 Lillian H. Smith - Design *	0.783	0.382	-	-	0.401	-	-	0.391	0.392	-	-	-	-	-	-	0.783	-	-	0.091	0.310	-	-	-	-	-	-	0.401
25 Parliament Street	19.491	6.117	-	-	13.374	-	-	0.293	0.603	-	-	3.590	5.381	5.525	4.099	19.491	-	-	0.069	0.468	-	-	0.220	4.459	4.866	3.292	13.374
26 Sanderson	14.282	1.656	-	-	12.626	-	-	0.380	0.381	-	4.859	5.934	2.728	-	-	14.282	-	-	0.328	0.381	-	3.255	5.934	2.728	-	-	12.626
27 Perth / Dupont - 299 Campbell Avenue	4.816	1.073	1.055	1.100	1.588	-	-	-	1.157	3.619	-	-	-	-	-	4.776	-	-	-	0.853	0.735	-	-	-	-	-	1.588
28 St.Lawrence	29.360	14.948	-	-	14.412	-	-	-	0.667	0.669	-	-	5.460	6.454	8.174	21.424	-	-	-	0.492	0.404	-	-	2.893	3.809	3.339	10.937
29 Mimico Centennial	16.427	1.912	-	-	14.515	-	-	-	-	-	0.424	0.426	-	4.105	4.212	9.167	-	-	-	-	0.394	0.426	-	2.269	4.166	7.255	
30 Port Lands New Construction	21.597	19.010	-	-	2.587	-	-	-	-	-	-	-	-	0.531	0.533	1.064	-	-	-	-	-	-	-	0.293	0.241	0.534	
Total Building Projects	386.007	91.971	3.545	5.102	285.389	28.792	37.793	39.541	33.345	34.202	28.804	28.150	30.433	30.855	34.618	326.533	17.848	27.644	28.699	28.385	27.251	24.417	24.484	25.041	25.161	27.615	256.545
Total Capital Budget	480.095	106.846	3.545	18.882	350.822	37.459	45.469	47.584	42.351	43.586	38.189	38.603	39.336	39.942	43.895	416.414	23.421	32.616	33.689	34.569	33.573	31.293	31.823	31.421	31.140	34.454	317.999

* Construction phase of this project is moved to Capital Needs Constraints

TORONTO PUBLIC LIBRARY
2020-2029 Capital Needs Constraints - Gross and Debt Funding
(\$millions)

Projects not approved by Council

PROJECT NAME	PROJECT INFORMATION					GROSS										TOTAL 2020 - 2029	DEBT										TOTAL 2020- 2029
	Cost Est.	Develop. Charges	S. 37/ 45/ Reserves	Other Funding	Debt	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	
1 Danforth/Coxwell Relocation and Expansion	16.249	-	-	-	16.249	0.419	0.420	-	5.176	4.931	3.734	1.569	-	-	-	0.419	0.420	-	5.176	4.931	3.734	1.569	-	-	-	16.249	
2 Etobicoke Civic Centre New Construction	26.977	-	-	-	26.977	0.625	0.626	-	6.041	6.509	7.223	5.953	-	-	-	0.625	0.626	-	6.041	6.509	7.223	5.953	-	-	-	26.977	
3 City Hall Relocation and Expansion	15.878	-	-	-	15.878	-	-	0.266	0.273	2.225	4.051	4.899	4.164	-	-	-	-	0.266	0.273	2.225	4.051	4.899	4.164	-	-	15.878	
4 Parkdale Relocation and Expansion	34.705	-	-	-	34.705	-	-	0.100	0.100	0.100	6.385	6.457	11.879	9.684	-	-	-	0.100	0.100	0.100	6.385	6.457	11.879	9.684	-	34.705	
5 Lillian H. Smith Renovation and Expansion - Construction *	17.735	3.708	-	-	14.027	-	-	-	-	-	4.507	4.879	4.593	3.756	-	-	-	-	-	-	3.539	3.370	3.770	3.348	-	14.027	
Total Capital Needs Constraints	111.544	3.708	-	-	107.836	1.044	1.046	0.366	11.590	13.765	25.900	23.757	20.636	13.440	-	1.044	1.046	0.366	11.590	13.765	24.932	22.248	19.813	13.032	-	107.836	

* Design phase of this project is included in the Council approved budget and plan