



STAFF REPORT ACTION REQUIRED

9.

2014 - 2023 Capital Budget and Plan Submission

Date:	June 10, 2013
To:	Budget Committee
From:	City Librarian

SUMMARY

The purpose of this report is to seek approval for the 2014 – 2023 capital budget and plan submission to Budget Committee. The Library’s 10-year capital submission has been developed according to City guidelines and achieves the following strategic objectives:

1. Meet City debt targets;
2. Focus on addressing state of good repair for branches and technology;
3. Address City growth intensification areas;
4. Maximize alternative (non-debt) funding sources;
5. Minimize the operating impact of the capital program

The capital funding request will address current and future state of good repair (SOGR) needs and also address the SOGR backlog. A building condition assessment performed in 2009 identified \$50 million in SOGR backlog. At the beginning of 2013, the SOGR backlog has been reduced to \$47.9 million and the requested 10-year funding will reduce the backlog to \$29.5 million by the end of 2023, which represents a 38% reduction.

RECOMMENDATIONS

The City Librarian recommends that the Budget Committee:

1. Recommends that the Toronto Public Library Board approves the 2014 – 2023 capital budget and plan submission, which meets the City debt targets, and requests funding of \$13.2 million debt (\$24.9 million gross) in 2014 and \$154.5 million debt (\$241.8 million gross) over 2014 – 2023.

FINANCIAL IMPACT

The capital submission, which meets City debt targets, requests funding approval of \$13.2 million debt (\$24.9 million gross) in 2014 and \$154.5 million debt (\$241.8 million gross) over 2014 – 2023.

The gross capital budget request is comprised of City debt funding (64%) and non-debt sources of funding (36%) such as development charges, Section 37 and other contributions from developers, City reserves, funding from the Toronto Public Library Foundation, community fundraising and a transfer from the Library operating budget. The expected impact of the new Development Charges By-law, which will be in effect in 2014, is beneficial to TPL and increases non-debt funding which has allowed additional spending on SOGR.

Planned relocation of branches, including Bayview and St. Lawrence, involve building on City-owned lands and no funding has been budgeted to acquire these lands. This has been a consistent practice in all previous capital budgets and TPL may need to seek exemption from budgeting for the cost to acquire City lands at fair market value.

Incremental operating budget impacts over the 2014-2023 period total \$4.035 million and 36.7 FTEs resulting mainly from: the operation of two new libraries currently under construction, Fort York (\$0.916 million) and Scarborough Civic Centre (\$0.893 million); the planned relocation and expansion of the St. Lawrence branch (\$1.532 million); the expansion of the Dawes Road branch (\$0.190 million) and Guildwood branch (\$0.150 million). For Technology Asset Management Program (TAMP) which is partially funded by an annual contribution from the operating budget, the 2014 contribution has been reduced by \$1 million, which provides an operating budget relief in that year.

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

ISSUE BACKGROUND

Section 24(1) of the Public Libraries Act requires the Library Board to submit to City Council annually, estimates of all amounts required during the year for the purposes of the Board. This report covers the capital funding request. Council approval provides funding for each project in the capital budget, which is the first year of the plan, and only the cash flows for 2014 are approved for spending. Subsequent years' capital spending is approved through the annual capital submission and approval process.

Planning Framework

Toronto Public Library has a planning framework to guide the development of its capital program for Library branches.

Service Delivery Model

The Service Delivery Model ensures equitable access to library services across the City and a rational approach to resource allocation. The Service Delivery Model established the following four tiers of library service:

1. Neighbourhood branches serve a minimum of 25,000 residents living in a 1.6 kilometre radius, and the optimal size of the branch is a minimum of 10,000 to 15,000 square feet. The current service hours vary from 40 to 69 hours per week.
2. District branches serve a minimum of 100,000 residents living in a 2.5 kilometre radius, and the optimal size is a minimum of 25,000 square feet. The current service hours vary from 63 to 69 hours per week.
3. Research and Reference libraries serve the entire city and should be a minimum of 150,000 sq. ft. The current service hours are 63.5 to 69 hours per week.
4. Non-branch services are comprised of virtual branch services and mobile services which includes the bookmobile and home library service.

Expansion of existing undersized branch facilities is also a priority and opportunities are reviewed and incorporated into the capital program as appropriate.

Branch Development Strategy

In June 2004, The Board reviewed the Service Harmonization Update report and approved a Branch Development Strategy which endorsed the following:

- Focus on maintaining state of good repair and investing in the existing branch infrastructure, sometimes involving an expansion, which would allow delivery of 21st century library services.
- Plan for two new branches to address population growth areas – Fort York and Scarborough Civic Centre.

With the exception of the two new branches currently under construction, this strategy has allowed the Library to manage growth and increased use without the significant operating impact of new branches.

Refinement of Capital Program

Each year, as part of preparing the capital budget, it is necessary to consider opportunities which may arise involving the relocation or renovation of branches which are not part of the 10-year plan, or to change the scope and timelines of planned projects.

Changes to the capital program would likely require reallocation of resources and projects within the fixed funding envelope. New projects should advance the integrity of the Service Delivery Model and should be evaluated against the following factors:

- strategic priority - how does the proposal advance the Library's strategic priorities?

- unique site/location - does the proposal present the Library with an opportunity to obtain a desirable site that may not be available again?
- partnerships - does the proposal present the opportunity to enter into a joint facility or other type of partnership arrangement which is beneficial and which must be acted upon in the short term?
- alternative funding available - does the proposal provide access to funding which is outside the existing capital envelope?
- size and timing of the capital project and how cash flows impact the debt target and other projects
- fiscal sustainability - will the proposal allow the Library to realize sustainable operating cost savings or can it be sustained within the existing budget?

Another part of the refinement process is ensuring that the plan is consistent with overall City priorities. As part of the 2014 budget process, the City Manager is undertaking a number of initiatives which may impact the Library's capital plan, including:

- A review of community infrastructure including libraries, community centres, community hubs and related agencies and organizations.
- Implementing a Framework for Prioritizing New and Expansion Facility projects, which will involve a review of all new and major expansion facility projects on a City wide basis with the objective to rationalize and identify opportunities for synergies and facility development.
- Information technology (IT) projects are reviewed on a City wide basis with the objective of optimizing the spending on IT capital projects.

COMMENTS

2014-2023 Capital Budget and Plan Strategy

The capital submission is informed by the planning framework for developing the capital program for Library buildings. The Library's 10-year capital submission has been developed following City guidelines which require that the debt targets for each year be met and that the use of non-debt financing is maximized. In addition, the Library has followed the budget guidelines which state that 'The 10-year Capital Plan must demonstrate commitment to achieve a balance between maintaining existing City assets and growth focusing on investment in state of good repair while addressing service gaps and priorities on a citywide basis for service improvements and growth related projects'.

The strategic priorities of the 2014-2023 capital budget and plan are to:

1. Meet City debt targets;
2. Focus addressing state of good repair for branches and technology
3. Address City growth intensification areas;
4. Maximize alternative (non-debt) funding sources;
5. Minimize the operating impact of the capital program

1. Meet City debt targets

The 2014-2023 capital submission meets City debt targets.

2. Focus on addressing State of Good Repair for Branches and Technology

Maintain and upgrade existing branch and technology infrastructure to manage activity growth and deliver 21st century library services. Based on the current 10-year capital program which meets debt targets, at the end of 10 years the building SOGR backlog will decrease from \$47.9 million at the beginning of 2013 to \$29.5 million by 2023, a 38% decline. The prior year's capital plan showed a 28% reduction to the SOGR backlog.

- A building SOGR audit conducted in 2009 identified and documented an accumulated backlog of \$50 million, as well as the future maintenance requirements of the library facilities. By the beginning of 2013, branch renovations have helped reduce the backlog to \$47.9 million.
- Part of the strategy to reduce the SOGR backlog is to prioritize major projects with significant SOGR backlog, such as Albion, Wychwood, North York Central, St. Lawrence, Dawes Road, Albert Campbell, Parliament, Northern District, and two new projects Mimico and High Park.
- The expected impact of the new Development Charges By-Law, which will be in effect in 2014, is beneficial to TPL and increases non-debt funding which has allowed additional spending on SOGR including:
 - Five branch projects - North York Central, Dawes Road, Parliament Street, Northern District and Guildwood - have been accelerated to begin one year earlier.
 - Two new branch projects with high SOGR needs - Mimico and High Park, have been introduced into the capital plan.
 - An Automated Sorter Replacement program has also been introduced into the plan.
- High SOGR priority needs of a smaller scale in many branches are addressed through the Multi-branch Renovation SOGR Program, funding for which has been increased by approximately \$3 million over the plan years. The Multi-branch Renovation Program has been further allocated to subprojects which are:
 - Mechanical / Electrical
 - Interior Renovation
 - Roofing
 - Structural / Building Envelope
 - Sitework
- Providing for the Technology Asset Infrastructure Replacement Program (TAMP) to protect and maintain the Library's extensive technology infrastructure. TAMP

funding has been increased by approximately \$2 million over the 10 years primarily to address the need to replace self-service RFID equipment, at the end of their lifecycle, which was introduced in branches.

3. Address City growth intensification areas

Two new branches - Fort York and Scarborough Civic Centre - currently under construction, the future relocation and expansion of Bayview and St. Lawrence branches, and the renovation of Mimico branch will address the needs of new and growing communities. Expanding the size of the relocated Bayview and St. Lawrence branches avert the need to add more branches, which would be more costly. These projects are significantly or completely funded by non-debt sources. The planned branch relocations all involve building on City-owned lands and no funding has been budgeted to acquire these lands. This has been a consistent practice in all previous capital budgets and TPL may need to seek exemption from budgeting for the cost to acquire City lands at fair market value, which is a City requirement.

Scarborough Civic Centre Branch

This new 14,500 sq. ft. branch, funded 65% from non-debt sources, will serve the Scarborough Civic Centre area, a growing community specifically identified for high density, mixed use development which is currently experiencing an increase in residential development. A neighbourhood library in this community will provide informational and recreational collections and services for a projected population of 40,000 adults, children and workers and will serve users as a gateway to the resources of the entire library system. Construction of this branch started in May 2013 and is expected to be completed in 2015.

Fort York Branch

This new 15,000 sq. ft. neighbourhood library, funded entirely by developer contributions, will serve the Railway Lands community with a projected population of 60,000 residents. This branch will provide general collections and services for the local community, and will also serve as a gateway to the resources of the entire library system. Focused service to young adults will be provided with digital media labs. Construction of this project started in September 2012 with expected completion in 2014.

Bayview Branch

As a busy neighbourhood branch, Bayview is undersized to adequately serve its current population of 47,532 residents and projected population growth associated with current and new development in the area. This project reflects the construction of a 12,000 square foot library on City-owned land to relocate an existing 6,333 square foot leased facility. This project is 44% funded from non-debt sources. The new building is expected to be located in a joint facility with Parks, Forestry and Recreation and a daycare. Discussions are currently underway with the local Councillor and Parks, Forestry and Recreation which may affect the scope, timing and funding for this project.

St. Lawrence branch

This project is for the design and construction of a 25,000 square foot district library on City-owned property at the site of the former First Parliament at the South West corner of Parliament St. and Front St. and replacing the existing St. Lawrence neighbourhood library at 171 Front St. East. Council approved the relocation of the St. Lawrence branch to the First Parliament site at the meeting on February 20 and 21, 2013. This project is necessary to provide library service to this high growth community. The new West Don Lands, Lower Don Lands and East Bayfront communities will bring approximately 34,000 residents to the area as well as schools, recreation centres and businesses in addition to the current St. Lawrence population of 17,484. Initially, the current St. Lawrence branch will serve these communities but as they are built out and new development continues in the St Lawrence area the current branch will not be able to adequately serve the East Waterfront communities. Further population growth in the area is expected as well with the future Waterfront development in the Port Lands. This project is 56% funded from non-debt sources. The participation of other potential partners may affect the scope and timing of this project.

4. Maximize alternative (non-debt) funding sources:

TPL intends to fully utilize non-debt funding sources for the 2014 – 2023 Capital Program. As per City guidelines, the impact of the new Development Charges By-law for 2014 has been reflected in the capital plan to reduce the reliance on debt funding. Council is expected to approve the new By-law by the end of 2013.

Overall 36% of total funding for the 10 year capital program will come from non-debt sources which includes \$45.2 million or 19% from Development Charges, \$21.2 million or 9% from operating funds transferred to capital for the replacement of technology assets (TAMP), \$9.7 million or 4% from the Library Foundation and community fundraising, \$6.9 million or 3% from Section 37 and other developer contributions and \$4.3 million or 1% from City reserves.

5. Minimize the operating impact of the capital program

As part of the building construction program, efficiency opportunities are assessed which would achieve operating savings and manage higher activity levels without necessarily adding more staff or opening new branches.

For TAMP, which is partially funded by an annual contribution from the operating budget, the eligibility for development charges funding under the new by-law has allowed the contribution from the operating budget to be reduced by \$1 million in 2014, providing operating budget relief in that year.

2014-2023 Capital Submission Request

The debt funding request for the 2014 – 2023 Capital Budget Submission is \$154.5 million, which consists of \$132.6 million for building projects and \$21.9 million for technology related projects which include TAMP, Virtual Branch Services and the Automated Sorter Replacement Program.

A summary of the Library's 2014 – 2023 capital submission, including funding sources and the impact on the operating budget are summarized as follows:

2014 - 2023 Capital Submission Summary (\$000's)													
	2014	2015	2016	2017	2018	Total 2014-2018	2019	2020	2021	2022	2023	Total 2019-2023	Total 2014-2023
Buildings - Gross	20,135	15,672	17,576	21,697	16,419	91,499	22,545	16,185	17,356	24,397	17,479	97,962	189,461 22%
IT - Gross	4,800	5,000	5,500	5,000	5,000	25,300	5,250	5,250	5,250	5,250	6,050	27,050	52,350 78%
Total Gross Request	24,935	20,672	23,076	26,697	21,419	116,799	27,795	21,435	22,606	29,647	23,529	125,012	241,811 100%
Non-Debt Sources of Funding													
- Development Charges	3,627	3,114	5,624	7,270	2,298	21,933	8,614	2,194	2,163	5,501	4,792	23,264	45,197 19%
- Library operating budget	948	2,008	2,068	2,128	2,188	9,340	2,248	2,308	2,368	2,428	2,488	11,840	21,180 9%
- Fundraising	970	-	-	-	-	970	-	-	1,142	3,368	4,249	8,759	9,729 4%
- Section 37 and Dev. Contrib.	2,421	1,100	-	800	-	4,321	-	-	-	2,600	-	2,600	6,921 3%
- City Reserves	3,739	-	146	434	-	4,319	-	-	-	-	-	-	4,319 1%
Total Non-Debt Funding	11,705	6,222	7,838	10,632	4,486	40,883	10,862	4,502	5,673	13,897	11,529	46,463	87,346 36%
City Debt - MeetsTarget	13,230	14,450	15,238	16,065	16,933	75,916	16,933	16,933	16,933	15,750	12,000	78,549	154,465 64%
Incremental Operating Impacts	955	812	79	56	861	2,763	879	57	69	143	124	1,272	4,035
<i>FTEs</i>	<i>20.0</i>	<i>-</i>	<i>2.7</i>	<i>-</i>	<i>14.0</i>	<i>36.7</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>36.7</i>

The complete ten-year capital submission with gross and debt funding for all capital projects is included on Attachment 1.

2014 – 2023 Capital Project Business Cases

A business case for each project contained in the 2014-2023 plan is contained in Attachment 2. Each business case describes the project and provides a justification and a financial summary.

For the TAMP, Virtual Branch Services and Multi-Branch Renovation Program, the business cases in Attachment 2 have been expanded to provide a detailed breakdown of the components of these projects.

Key Elements of 2014

Key elements of the 2014 capital program are as follows:

- **Toronto Reference Library renovation project:** TRL, an architectural landmark located in the heart of the City, is over 400,000 square feet in size and opened in

1977. By 2007 the building was 30 years old and in need of a renovation. Complete renovation of the building would conservatively be estimated at \$80 million but this was not achievable due to funding limitations. To address renovation of key service areas, TPL Foundation was engaged to do a fundraising campaign. This resulted in a \$34.8 million project funded through a blend of public and private financing consisting of contributions from the City and other levels of government, Section 37, Development Charges and private fundraising through the re:vitalize Toronto Reference Library Campaign initiated by the TPL Foundation. Funding for this significant and complex project will be increased by \$1.5 million - \$750,000 in 2013 by a transfer from Virtual Branches Services project and a further \$727,000 in the 2014 as part of the budget submission – which brings the project total to \$36.2 million. Funding for this project has been approved in phases.

The project addresses the redesign and retrofit of key public service areas, consolidation of comprehensive collections and subject specialized “centers of excellence” to deliver improved and more convenient customer service, attract additional users and private financing for ongoing renovation. Redesigned public spaces supported service consolidations and efficiencies which helped reduce operating costs. Way-finding improvements ease public use of a complex building. Increased study capacity, flexible and collaborative work areas respond to growing public demand. Introduction of public compact shelving house more material on public shelves and accommodate ongoing collection growth. Library presence on Yonge Street and the streetscape has been enhanced by a new entrance and design transparency along the length of Yonge Street. New spaces support the increased demand for cultural programming and provide increased rental revenue.

In 2014, the focus of construction will be the final phase of the project that will see completion of renovations on the third and fourth floors. These include: replacement of flooring; retrofit of all public washrooms; increased study spaces; creation of new individual and group study areas; audio/visual work stations for listening and lifelong learning; addition of an informal instruction / program open theater area for group visits.

- **Continuing to refresh and upgrade the Information Technology infrastructure (Technology Asset Management Program):** At a gross cost of \$4 million, the Technology Asset Management Program (TAMP) provides for the life-cycle replacement of existing hardware and software such as PCs, monitors, laptops, printers, multi-functional devices, servers, network hardware, audio visual and self-serve equipment, which have an inventory value of approximately \$33 million. The TAMP budget will also fund the completion of the high speed fiber network implementation; provide for upgraded network access control which will support greater flexibility in support of branch technology initiatives; provide for an authentication and identity management system that will consolidate all user identity information across various TPL public systems; and allow for better analysis of user data for service planning. More information about this project can be found in the business case in Attachment 2.
- **Continuing advancement and improvement of Virtual Branch Services:** The Virtual Branch Services Capital program aims to address the dynamic landscape of

digital content access (e-content including ebooks, e magazines, databases etc.) and the provision of library services online. With each initiative the Library is building services and features which are as flexible and open as possible so that future yet to be identified requirements can be addressed. The project focus is to make virtual library services available and accessible to residents from anywhere and anytime.

Recent major upgrades and strategic improvements made to the Library's online environment supported the introduction of new self-service capabilities including online fines payment and better customer management options for email notifications and improved notifications for holds and overdue materials. A new web presence for parents focused on library services for children from birth to age 5 was also launched early in 2013. Changes will be introduced to the customer account system to provide more self-service transaction options including online registration and effective systems to capture customer use of library services. The multi-year initiative to renew the children and youth websites is in the planning phase and will result in new and engaging learning resources and will integrate multimedia content to support different styles of learning and reading. Virtual Branch Services will also continue to enhance the library's capacity for digitizing and presenting its rare and unique collections online thereby facilitating greater use of those collections. Additional details of this project are provided in the business case in Attachment 2.

- **Continuing the Multi-Branch Renovation Program:** This state of good repair renovation project is an effective way to extend the operating life and keep branches functional until a major renovation can be funded. 2014 renovations included in four subprojects are: mechanical / electrical work at 3 locations, interior renovations at 9 locations, re-roofing of 2 branches, structural / building envelope work at 1 branch. The request for the 2014 multi-branch program is \$3.5 million. More information about this project can be found in the business case in Attachment 2.
- **Continuing construction of the new Fort York Branch:** This new 15,000 sq. ft. neighbourhood library located at Fort York Blvd. and Bathurst Street is being built in Block 36 of the Railway Lands Development to serve a rapidly growing community. The project will include a collection of 50,000 items, computers with internet access, open and flexible floor spaces, focused services and spaces for young adults, barrier free access, study and multipurpose programming space, gallery/exhibit space, self serve circulation and wireless internet access. The total project budget of \$9.2 million is funded entirely by developer contributions. Construction started in September 2012 and the branch is expected to open in late 2013 or early 2014.
- **Continuing the Fairview Branch renovation:** The \$4.6 million Fairview Branch project addresses the needs of the entrance level and part of the second floor by enhancing access, providing state of good repair improvements and supporting more efficient operations to meet the needs of library users. Washroom facilities are upgraded and further self service circulation improvements increase service efficiency and reduce operating costs. This initiative will also support the Library's efforts to maximize revenue from facility rentals. The branch is expected to reopen in the fall of 2013.

- **Continuing construction of the Library Processing Centre:** The \$9.9 million project consists of the construction of an addition to the existing building at 1076 Ellesmere to accommodate the relocation of the Bibliographic Services department located at 281 Front Street. The relocation was necessary to facilitate City Council acquisition of the former First Parliament site at the south west corner of Parliament Street and Front Street. Operationally, the co-location of the Bibliographic Services with Facilities Management and Distribution Services at 1076 Ellesmere becomes a more efficient centralized hub which supports the sorting and distribution of branch collections and materials and includes the use of high volume automated materials handling systems. The project cost for this facility has been increased from \$9.330 million to \$9.930 million due to the need to remediate soil conditions on the site and to relocate existing loading docks to the other side of the existing building.
- **Continuing construction of the new Scarborough Centre Branch:** This project consists of the construction of a new 14,500 sq. ft. neighbourhood library to serve a projected population of 40,000 residents. This project has a gross budget of \$8.8 million, funded 65% from non-debt sources. The branch will include a collection of 50,000 items, computers with internet access, an open floor plan, barrier free access, study and multipurpose programming space, self service circulation and wireless high speed internet access. Construction started in May 2013 with expected completion in 2015.
- **Completing planning work and beginning construction of the Albion branch renovation:** This heavily used branch is a SOGR priority. No major renovations have occurred since its opening in 1973. The planned renovation will address mechanical and structural needs, meet health and safety and Building Code requirements, and re-design of the current space to provide increased programming and community meeting space. The gross cost for this project is \$15 million and will feature quiet study space, increased meeting space, and an interactive early literacy centre. An elevator will replace the dumbwaiter to improve access to lower level. Construction start is expected in the fall 2014 with completion in 2017.
- **Beginning the planning work of the Bayview branch relocation:** This project consists of the construction of a 12,000 square foot library on City-owned land to relocate an existing 6,333 square foot leased facility. The new building is expected to be located in a joint facility with Parks, Forestry and Recreation and a daycare. As a busy neighbourhood branch, Bayview is undersized to adequately serve its current population of 47,532 and projected population growth associated with current and new development in the area.

The new branch will include an open floor plan and barrier free access for the public, study seating, multipurpose room, flexible programming spaces for branch and community use, quiet study spaces, a 50,000 item collection, computers with Internet access, a computer user/media centre, exhibit space, customer self service improvements, protective security systems including intrusion alarms, fire and book security systems. Wireless internet access will also be included. Focus areas for teens, children, adults and seniors will be created, including an interactive early literacy centre for children. Construction is expected to start in the final quarter of

2015 with completion in 2017. Discussions are currently underway with the local Councillor and Parks, Forestry and Recreation which may affect the scope, timing and funding for this project.

- **Beginning the planning work of the Wychwood branch renovation:** This heritage building opened in 1916, was renovated in 1978 and underwent a small retrofit in 1995. This 6,381 sq. ft. library branch serves a diverse community of 14,681. The community is growing with new condominium developments and City Planning has initiated a Bathurst/St. Clair study. The branch is in need of significant updating and redesign in order to deliver relevant library services and to provide access to electronic resources. Self-serve circulation will enhance and facilitate more efficient service.

This project was initially established to address specific state of good repair needs, but is has now been upgraded to a full renovation with a corresponding cost increase of \$0.642 million (from \$3.606 million to \$4,248 million). The planned renovation will address building deficiencies and bring the building up to service standards, including interior and exterior renovations to building structure, mechanical and electrical. The renovation will include a revitalization of all public service areas and incorporate a redesign of current space to provide a more efficient layout. Interior work will include a new customer service area, zoned spaces for children, teens and adults, replacement of furniture, shelving, millwork and equipment to address health and safety issues; improvement to front entrance; replacement of elevator and HVAC system; work on the perimeter hard surfaces; enclosure of balcony to provide additional accessible public service space. Construction is expected to start in the final quarter of 2015 with expected completion in 2016.

CHALLENGES AND ISSUES

Building State of Good Repair (SOGR)

To address the SOGR backlog within the City debt target, TPL has prioritized the capital plan to focus on major renovations of branches with the highest SOGR backlog and the SOGR Multi-Branch Renovation Program to keep the branches functional until a major renovation can be funded. This approach will meet current SOGR spending needs and reduce the backlog from \$47.9 million to \$29.5 million or 38% by the end of 10 years.

Construction Costs

The City debt targets are not fully adjusted to reflect rising construction costs due to the following.

- Inflation
- City's approved green standards for buildings
- Accessibility requirements

Growth in Population and Service Demand

As community cornerstones, branches are vital to local neighbourhoods. The demand for new and expanded branches continues to be shaped by ongoing needs to provide 21st

century library services, increasing demand for library use and resources, growing communities, and improving access to branch facilities and resources. In addition to its existing projects, TPL continues to evaluate and prioritize future renovation and expansion projects for all of its locations. A self-service library kiosk is planned for the renovated area of Union Station to provide innovative and convenient access to library materials in a high traffic transit hub and extend library service in the under-serviced waterfront area. This service model will be evaluated for broader potential application.

Demand for Virtual Branch e-services and Technology

The Virtual Branch project is designed to deliver more content and features for a user-focused website, while accommodating rapid changes in mobile access requirements. The demand for this service continues to grow each year. Technology needs also continue to grow including self-service, automated sorters, wireless and internet access. The technology infrastructure needs to be maintained, replaced and enhanced to meet demand, which requires capital funding.

Operating impact

Operating Budget impacts over the 2014-2018 period total \$2.763 million resulting mainly from the operation of two new libraries currently under construction and the planned relocation of the St. Lawrence library to an expanded location: Fort York Library (\$0.916 million), the Scarborough Civic Centre Library (\$0.893 million), and the St. Lawrence Library (\$0.766 million).

Operating impacts over the 2019-2023 period total \$1.272 million resulting mainly from the annualization of the relocation of the St. Lawrence branch (\$0.766 million), the expansion of the Dawes Road branch (\$0.190 million) and Guildwood branch (\$0.150 million)

The table below provides operating impacts and changes in full time equivalent staff (FTEs) by branch:

2014 - 2023 Operating Impacts (\$000's)											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Albert Campbell						18.0	18.0				36.0
Albion			17.0	17.0							34.0
Bayview FTE's			17.0	17.0							34.0
			2.7								2.7
Bookbanks							29.0	29.0			58.0
Bridlewood		42.0	12.0								54.0
Centennial								9.0	9.0		18.0
Dawes Road FTE's					95.0	95.0					190.0
					1.0						1.0
Library Processing Centre	(4.0)	(4.0)									(8.0)
Fairview	(99.0)										(99.0)
Fort York FTE's	897.0	19.0									916.0
	10.0										10.0
Guildwood							75.0	75.0			150.0
Northern District									11.0		11.0
North York Central						25.0	25.0				50.0
Parliament							14.0	14.0			28.0
Perth / Dupont								15.0	15.0		30.0
Sanderson		13.0	13.0								26.0
Scarborough Civic Centre FTE's	149.1	744.3									893.4
	10.0										10.0
St. Clair / Silverthorn			9.0	9.0							18.0
St. Lawrence FTE's					766.0	766.0					1,532.0
					13.0						13.0
Toronto Reference Library		12.0									12.0
Weston							15.0	15.0			30.0
Wychwood		11.0	11.0								22.0
Total Operating Impacts	955.1	812.3	79.0	56.0	861.0	879.0	57.0	69.0	143.0	124.0	4,035.4
Total FTE's	20.0	0.0	2.7	0.0	14.0	0.0	0.0	0.0	0.0	0.0	36.7

CONCLUSION

TPL has demonstrated its ability to deliver on its capital program which results in more efficient and improved services.

The operating and staffing impact of each project is included in the business cases in Attachment 2.

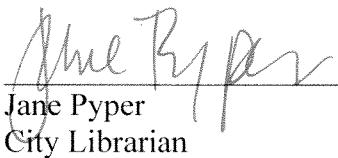
TIMETABLE

The timetable for the review and approval of the 2014-2023 capital budget and plan is shown on Attachment 3.

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SIGNATURE



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APPENDICES

- Attachment 1: 2014 - 2023 Capital Budget and Plan Submission – Gross and Debt Funding
- Attachment 2: 2014-2023 Capital Project Business Cases
- Attachment 3: 2014 Capital Process Timetable

