



STAFF REPORT ACTION REQUIRED

11.

2012 – 2021 Capital Budget Submission

Date:	June 7, 2011
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to obtain Toronto Public Library Board approval for the 2012 – 2021 capital budget submission.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. approves the 2012 – 2021 capital budget submission that meets the City’s debt target levels and requests funding of \$11.8 million debt (\$23.9 million gross) in 2012 and \$149.5 million debt (\$219.4 million gross) over 2012 – 2021; and
2. authorizes and directs Library staff to take the necessary action to give effect thereto.

FINANCIAL IMPACT

The capital submission requests funding approval of \$11.8 million debt (\$23.9 million gross) in 2012 and \$149.5 million debt (\$219.4 million gross) over 2012 – 2021. The submission meets the City debt targets.

The gross capital budget request is comprised of City debt funding and non-debt sources of funding such as development charges and Section 37 contributions from developers, funding from the Toronto Public Library Foundation and a transfer from the operating budget.

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 budget request.

COMMENTS

2011 Capital Achievements

- Four projects funded by infrastructure stimulus funds (ISF): North York Central Library, Northern District, Richview, and Fairview, were completed by March 2011. The Toronto Reference Library ISF project, which received a deadline extension, will be completed by October 2011. The Agincourt ISF project was completed in December 2010.
- The main floor expansion and renovation as well as the renovation of the second floor of Toronto Reference Library (TRL) will be completed in 2011.
- The Multi-Branch Renovation Program will impact 13 branches addressing flooring, millwork, barrier-free washrooms, energy-efficient lighting, shelving, and roof replacements.
- 2011 Virtual Branch Services:
 - Main website:
 - Integration of self-service enhancements including improvements in customer account management and upgraded search technology to support search improvements;
 - Migrated audience-specific sites to new platform leveraging search capabilities;
 - Implementation of mobile Apps including e-Book retrieval and reading and self-service customer account management.
 - Digital Archives - 2011 includes a major overhaul of the digital collections online presence and offering, including:
 - Designed, developed and implemented the new digital collections web presence, including new technical architecture and integration of UCM (digital asset management system);
 - Continue to expand access to Toronto Public Library's (TPL) digital archives through the continued large scale digitization project and conversion of old digital collections content to new technical environment and improved digitization workflow.
- 2011 Technology Asset Management Program:
 - Upgraded hardware and software to support upgrade of the Integrated Library System, Digital Collections, and implementation of fiber network;
 - Replacement of 1000 PCs, 350 monitors and 35 laptops, networked printers & multi-functional devices, web application and portal software and email system.
- Self-Service Circulation will have been introduced in ten branches (three District and seven Neighbourhood branches) by the end of 2011, bringing the total number of

branches with the new service to 40 by the end of the year. The year 2011 is the third of a four-year implementation project.

2012 – 2021 Capital Request

The capital budget transmittal letter dated May 18, 2011 is Appendix 1 to this report. Attachment 1 of Appendix 1 describes the status of each 2012 project, and Attachment 2 lists gross and debt-funded cash-flows of each project included in the capital budget.

A summary of the Library's 2012 – 2021 capital request, which meets the City's debt target levels, is shown below.

2012 - 2021 Capital Submission Summary (\$000's)													
	2012	2013	2014	2015	2016	Total 2012-2016	2017	2018	2019	2020	2021	Total 2017-2021	Total 2012-2021
Buildings - Gross	18,091	21,994	17,991	12,563	13,887	84,526	15,603	17,866	18,820	16,810	16,795	85,894	170,420
IT - Gross	5,799	4,188	4,448	4,758	4,818	24,011	4,878	4,938	4,998	5,058	5,118	24,990	49,001
Total Gross Request	23,890	26,182	22,439	17,321	18,705	108,537	20,481	22,804	23,818	21,868	21,913	110,884	219,421
Non-Debt Sources of Funding													
- Development Charges	4,389	6,108	3,874	853	1,138	16,362	1,488	3,683	4,637	2,627	2,612	15,047	31,409
- Section 37	3,744	678	2,108	-	-	6,530	800	-	-	-	-	800	7,330
- City Reserves	580	-	319	-	261	1,160	-	-	-	-	-	-	1,160
- Transfer from Library Operating Budget	1,828	1,888	1,948	2,008	2,068	9,740	2,128	2,188	2,248	2,308	2,368	11,240	20,980
- Donation from Library Foundation	1,556	6,540	960	10	-	9,066	-	-	-	-	-	-	9,066
Total Non-Debt Funding	12,097	15,214	9,209	2,871	3,467	42,858	4,416	5,871	6,885	4,935	4,980	27,087	69,945
City Debt - MeetsTarget	11,793	10,968	13,230	14,450	15,238	65,679	16,065	16,933	16,933	16,933	16,933	83,797	149,476
Incremental Operating Impacts	432	(135)	912	1,053	44	2,306	167	27	1,089	1,162	107	2,552	4,858

The capital funding request will allow TPL to continue addressing State of Good Repair (SOGR) issues focusing on the maintenance and upgrade of the existing branch infrastructure within the City funding targets. Service demands in new and growing communities will be addressed with the construction of two new branches, Scarborough Centre and Fort York/Bathurst. TPL's non-debt funding sources, including funding from the Toronto Public Library Foundation, are being maximized in order to meet capital requirements while minimizing the impact on City debt levels. Continuation of the capital project to introduce self-service circulation at nine additional branches will result in improved efficiency, improved customer service and a safer work environment.

To address the SOGR backlog within the City debt target, TPL has increased spending on the Multi-Branch SOGR Renovation Program. This will meet current SOGR spending needs and reduce the backlog from \$50.2 million to \$41.3 million (18%) by the end of ten years.

Operating costs associated with the 2012 – 2021 capital budget submission are largely unchanged from those submitted in the previous year’s budget. Operating Budget impacts over the 2012 – 2017 period total \$2.306 million resulting mainly from the two newly constructed libraries of Fort York/Bathurst Library (\$1.010 million) and the Scarborough Centre Library (\$1.044 million). The operating impact of all capital projects is being reviewed by TPL as part of the operating efficiency review and any savings will be included as part of the 2012 operating budget submission.

Key Elements of 2012

Key elements of the 2012 capital program are as follows.

- Continuing renovation of the Toronto Reference Library, Mount Dennis Branch and Brentwood Branch;
- Fourth-year investment in self-service circulation, which is the final phase of a multi-year capital project;
- Refresh and upgrade the Information Technology infrastructure (Technology Asset Management Program) and continuing development of Virtual Branch Services;
- Continuation of the Multi-Branch Renovation Program;
- Beginning construction work on the new Fort York/Bathurst and Scarborough Centre Branches;
- Beginning construction work on the Fairview renovation project;
- Beginning planning work for the Albion Branch renovation.

Challenges

Although significant progress has been made on growing the capital envelope, the following issues create challenges for future years:

- Accumulated SOGR backlog that needs to be addressed on a timely basis;
- Rising costs of construction due to inflation, City green standards for buildings, and the Accessibility for Ontarians with Disability Act (AODA) requirements;
- Demand for new and expanded branches;
- Growing demands for virtual branch e-services;
- Need to expand implementation of self-service circulation technology at more branches and sorting at larger branches for operating efficiency;
- Operating impact of capital projects are significant.

Timetable

The 2012 Capital Budget Process Timetable is included as Appendix 2.

CONTACT

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SIGNATURE

Jane Pyper
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APPENDICES

Appendix 1: Transmittal Letter: Toronto Public Library 2012 – 2021 Capital Budget and Plan
Appendix 2: 2012 Capital Budget Process Timetable