



STAFF REPORT ACTION REQUIRED

11.

2007 Capital Budget – Adoption

Date:	March 26, 2007
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

To adopt the Council-approved Toronto Public Library (TPL) 2007 Capital Budget and to approve the 2008 – 2011 Capital Plan.

The Council-approved 2007 Capital Budget and 2008 – 2011 Capital Plan continue to support the strategy that TPL has undertaken to address critical backlog of building repairs, to maintain a consistent asset state-of-good repair program and to accommodate technology update and replacement needs.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. Adopt the 2007 Capital Budget, as approved by Council on March 7, 2007, which consists of 2007 cash flow of \$17.863 million and future year commitments of \$31.669 million, including:
 - a. New cash flow funding for:
 - i. New projects with cash flow requirement of \$9.689 million in 2007 and future year commitments of \$8.181 million in 2008, \$11.130 million in 2009 and \$2.030 million in 2010;
 - ii. Previously approved projects with cash flow requirements of \$5.399 million in 2007 and future year commitments of \$7.269 million in 2008, \$2.809 million in 2009 and \$0.250 million in 2010;
 - iii. Previously approved projects with carry-forward funding from 2005 and prior years requiring 2007 cash flow of \$0.318 million; and

- b. Previously approved projects with carry-forward funding from 2006 into 2007, totalling \$2.457 million.
2. Approve the 2008 – 2011 Capital Plan, as approved by Council, totalling \$73.286 million in project commitments and estimates, comprised of \$17.000 million in 2008, \$18.115 million in 2009, \$17.763 million in 2010 and \$20.408 million in 2011; and
3. Staff be authorized and directed to take the necessary action to give effect thereto.

FINANCIAL IMPACT

The 2007 Capital Budget, which consists of the 2007 cash flow and associated future year commitments, as approved by City Council at its meeting of March 7, 2007, and the corresponding debt funding, is as follows:

Description (\$000's)	2007 Cash Flow	Future Year Commitments			
		2008	2009	2010	Total 2008-10
Council Approved Gross	17,863	15,450	13,939	2,280	31,669
Debt Funding	11,000	10,094	10,243	2,247	22,584

The operating cost associated with the approved 2007 Capital Budget amounts to \$200,000 in 2007, and this is included in the 2007 operating budget submission to be considered by Council in April 2007.

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

The 2008 – 2011 Capital Plan approved by Council includes future year gross cash flow commitments associated with the projects approved for 2007 and the future year gross cash flows for projects starting within the period of 2008 – 2011, as summarized on the table below, along with the corresponding debt funding.

Description (\$000's)	2008 - 2011 Capital Plan				
	2008	2009	2010	2011	Total 2008-10
Council Approved Gross	17,000	18,115	17,763	20,408	73,286
Debt Funding	11,000	11,000	11,000	11,000	44,000

DECISION HISTORY

Section 24(1) of the Public Libraries Act requires the Library Board to submit to City Council annually, on the date and form specified by Council, estimates of all sums required during the year for the purposes of the Board.

Budget Submission

The 2007 – 2011 capital budget and plan submission, approved by the Library Board at its meeting of September 18, 2006, with a total cash-flow of \$88.796 million gross (\$50.0 million debt) was comprised of two components:

- The first component consisting of previously approved and new projects starting in 2007, totalling \$59.439 million gross (\$38.886 million debt), as detailed in Attachments 1 and 2, was reviewed in the fall of 2006 and approved by Council in March 2007.
- The other component consists of TPL's plan for future year projects starting over the period 2008 – 2011, totalling \$29.357 million gross, (\$11.114 million debt), as detailed in Attachment 3.

ISSUE BACKGROUND

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

This report submits the Council-approved 2007 Capital Budget to be adopted by the Board. The 2008 – 2011 Capital Plan, also approved by Council, is submitted for approval.

COMMENTS

City Review Process

The 2007 – 2011 Capital Budget and Plan submission underwent a series of reviews and recommendations that began with a City Administration review, followed by Budget Committee, the Executive Committee and Council.

Technical adjustments made during the review process include:

- Carry-forward updates based on 2006 year-end results;
- Reclassification of \$1.0 million annual funding from City Reserve to Debt funding for the Technology Asset Management Program (TAMP);
- Reclassification of future year cash flows for the Toronto Reference Library, Multi-branch, TAMP and Brentwood projects.

Council Approval

At its meeting of March 7, 2007, City Council approved the Executive Committee recommended 2007 gross Capital Budget, which includes the 2007 gross cash flow of \$17.863 million and future year commitments of \$31.669, consisting of the following 13 initiatives:

- Projects currently underway include: Jane/Sheppard relocation; Jane/Dundas renovation; Dufferin/St.Clair renovation; S.W. Stewart renovation; Bloor/Gladstone renovation and expansion; Integrated Library System replacement;
- planning phase of the Brentwood Library renovation;
- Cedarbrae renovation;
- Thorncliffe renovation and expansion;
- major upgrades to Virtual Branch Services including multi-lingual service, virtual channels of service delivery like Web and in-branch public computers, upgraded searching capabilities, improved Internet presence for the Library, additional digital content, and more self-service technology;
- replacement of existing hardware and software through the Technology Asset Management program;
- continuation of the multi-branch State-of-Good-Repair program which includes roofing, building systems, flooring, shelving and furnishing programs; and
- continued retrofit and renovation of the Toronto Reference Library.

2008 – 2011 Capital Plan

The Council-approved 2008 – 2011 Capital Plan includes future year gross cash flow commitments associated with the projects approved for 2007 and the future year gross cash flows for projects starting within the period of 2008 – 2011, as summarized on the following table, and detailed on Attachments 1, 2 and 3. Also shown is the corresponding debt funding and the 2007 cash flow.

Description (\$000's)	2007 Cash Flow	2008 - 2011 Capital Plan				
		2008	2009	2010	2011	Total 2008-11

Council Approved Gross Cash Flow

Projects beginning 2007	17,863	15,450	13,939	2,280		31,669
Future Year Projects		1,550	4,176	15,483	20,408	41,617
Total Gross Cash Flow	17,863	17,000	18,115	17,763	20,408	73,286

Debt Funding

Projects beginning 2007	11,000	10,094	10,243	2,247		22,584
Future Year Projects		906	757	8,753	11,000	21,416
Total Debt Funding	11,000	11,000	11,000	11,000	11,000	44,000

As noted above, the annual debt target for the 2008 – 2011 Capital Plan has been approved at \$11 million.

CONTACT

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SIGNATURE

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ATTACHMENTS

- Attachment 1: Council Approved 2007 Capital Budget – Gross
- Attachment 2: Council Approved 2007 Capital Budget – Debt
- Attachment 3: Council Approved Future Projects 2008 - 2011