



STAFF REPORT ACTION REQUIRED

11.

2009 - 2013 Capital Budget – City Manager Recommended

Date:	October 20, 2008
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is for the Toronto Public Library Board to review the impact of and approve adjustments to the 2009 - 2013 capital budget request to meet the City Manager recommended debt targets. The City Manager recommended targets fully meet the Board's total requested funding over the five years, with an even target in each year. To meet the annual targets, some projects will need to be re-cash flowed and the investment in self service to expand open hours will be spread over four years instead of three years.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. Receives this report outlining the impact of project and cash flow adjustments required to meet the City Manager recommended debt targets for the 2009 - 2013 capital budget;
2. Approves 2009 - 2013 capital budget debt and gross funding adjustments required to meet the debt targets recommended by the City Manager, as per Attachments 1 and 2; and
3. Authorizes and directs the appropriate staff to take the necessary action to give effect thereto.

FINANCIAL IMPACT

The City Managers recommended 2009 - 2013 capital funding fully meets the Board's requested funding for the five years, with a debt total of \$66.600 million and a gross total of \$117.604 million. However, to meet the City Manager recommended annual debt target of \$13.320 million for 2009 to 2013, the original requested funding needs to be

reallocated by decreasing the debt funding by \$0.880 million in each of 2009, 2010 and 2011, and increasing debt funding by \$1.320 million in each of 2012 and 2013.

The Director, Finance and Treasurer has reviewed this Financial Impact Statement and is in agreement with it.

ISSUE BACKGROUND

Budget Submission Request

The Toronto Public Library's (TPL) 2009 - 2013 capital budget submission of \$14.200 million debt (\$23.650 million gross) for 2009 and \$52.400 million debt (\$93.954 million gross) over 2010 – 2013, was approved by the Library Board at the September 15, 2008 meeting. The total five-year capital budget debt request of \$66.600 million was over target by \$8.600 million due to the \$6.600 million investment in self service and \$2.000 million for State of Good Repair (SOGR). The budget request exceeded the City debt target by \$3.200 million in 2009 and 2010 and by \$2.200 million in 2011.

COMMENTS

Capital Budget Review

The 2009 – 2013 capital budget request was reviewed with the City Manager on October 3 and 8, and with Councillor Rae, one of the Budget Committee members assigned to review TPL's budget, on October 6. The other Budget Committee member assigned to review TPL's budget is Councillor Heaps.

City Manager Recommended Budget

The City Manager recommended budget of \$66.600 million debt fully meets the Board's request over five years, though the target has been spread evenly over the years resulting in a new debt target of \$13.2 million each year.

**2009-2013 CAPITAL BUDGET
DEBT FUNDING
\$000s**

	2009	2010	2011	2012	2013	TOTAL
Original Debt Request	14,200	14,200	14,200	12,000	12,000	66,600
City Debt Target	11,000	11,000	12,000	12,000	12,000	58,000
City Manager Recommended	13,200	13,200	13,200	13,200	13,200	66,000

Budget Adjustments

To meet the City Manager recommended debt targets, some projects will need to be re-cash flowed and the investment in self service to expand open hours will be spread over four years instead of three years. Specific adjustments required to meet the new targets are as follows:

- **Brentwood Renovation**
Defer start of construction to later in 2009 and adjust debt and development charges cash flow.
- **West Waterfront Construction**
Project may experience a delay in 2009 so the cash flow funding is being adjusted.
- **Scarborough Centre Construction**
No change in project schedule, but adjust debt and development charges cash flow.
- **Self Service for Open Hours**
Spread implementation over four years instead of three, with annual funding approximately even.
- **Ellesmere Renovation**
Defer planning by one year to 2010.
- **Bayview Relocation**
Defer start of construction one year to 2012 and adjust debt and development charges cash flow.
- **Fairview Renovation**
Defer start of construction to later in 2011 and adjust debt and development charges cash flow.

Detail of the cash flow changes for each project are shown on Attachments 1 (debt funding) and 2 (gross funding).

CONTACT

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SIGNATURE

Jane Pyper
City Librarian

ATTACHMENTS

Attachment 1: City Managers Recommended 2009 – 2013 Capital Budget – Debt
Attachment 2: City Managers Recommended 2009 – 2013 Capital Budget – Gross