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To: Toronto Public Library Board – November 25, 2002

From: City Librarian

Subject: **2003 – 2007 Capital Budget – CAO/EMT Recommended Reductions**

Purpose:

To inform the Toronto Public Library Board of the impact of the CAO/EMT recommended reductions to the 2003 – 2007 Capital Budget and to provide a history of capital project deferrals.

Funding Implications and Impact Statement:

The CAO/EMT recommended reductions will result in a reduced funding envelope required for necessary capital repairs.

Recommendation:

It is recommended that the Toronto Public Library Board:

- (1) receive the *2003 – 2007 Capital Budget – CAO/EMT Recommended Reductions* report on the CAO/EMT recommended reductions of \$2.734 million in 2003 and \$4.422 million over 2003-2007 resulting in a capital funding envelope of \$12.468 million gross (\$9.6 million net) in 2003 and \$22.977 million gross (\$19.225 million net) over 2003-2007; and
- (2) provide direction to staff.

Background:

At its October 28, 2002 meeting, the Library Board received and approved the Toronto Public Library 2003-2007 capital budget submission. At the same meeting, the CAO/EMT recommended reduction to the 2003-2007 capital budget was presented. The Board adopted a motion that “staff be requested to provide details to the Board at the November meeting concerning the impact of the CAO/CFO and EMT adjustments to the capital budget”.

Comments:

The CAO/EMT recommend capital budget required a reduction of \$2.734 million (gross and net) in 2003 and \$4.422 (gross and net) over 2003-2007 in order to meet targets, as detailed in Attachment 1.

In order to achieve the CAO/EMT targeted net funding target of \$9.6 million in 2003, Library staff applied the following criteria:

- (i) previously approved projects were not considered for reduction or deferral as these projects are committed and well underway;
- (ii) new projects were assessed for feasibility of reduction in scope; and
- (iii) new projects were assessed for feasibility of deferral into a future year.

Toronto Reference Library – Reduced Scope

The proposal is to reduce the 2003 project funding scope from \$2.932 million to \$1.566 million. In 2003, the following renovations will not be addressed: the centre for the disabled, the stage for the permanent performance area, the removal of a PCB transformer and the fire alarm system upgrade. Further review may reveal additional component reductions.

Multi-Branch Program – Reduced Scope

- A recent change in City policy has resulted in the removal of the \$0.562 million painting program from the capital budget and transference to the operating budget. This proposal is to phase in the operating budget impact over three years, beginning with \$0.2 million in 2003. Because of the three-year phase in, 14 painting jobs will be deferred from 2003.
- Funding reductions of \$0.180 million to the roofing, building systems, flooring and shelving programs will result in deferring necessary repairs at four facilities.

Pape Danforth Renovation - Deferred

The proposal is to defer the Pape Danforth renovation to 2004. This proposal takes into consideration the 2003 capital target and early indications are that there will be no target increase in 2004. The impact of this deferral means that necessary repairs can no longer be delayed until a full branch renovation is approved. For example, funding from the 2003 multi-branch program may be required to address the immediate health and safety issues such as flooring. If the full branch renovation does proceed, then flooring would need to be addressed once again. This project was submitted in 2002 and deferred.

Electronic Information Services – Reduced Scope

In general, the impact of the funding reduction of \$0.331 million from \$1.1 million to \$0.800 million for this project will delay infrastructure upgrades and reduce the Library's ability to take advantage of efficiencies and functionality for public and staff services. This will lead to increased cost and effort of infrastructure maintenance, lower staff productivity and deferred public service benefits.

- The funding reduction to the VRL web site re-design will necessitate reducing the scope of work for the project in 2003. This scope reduction will impact the extent of the redesign and the ability to maximize user friendliness.
- The elimination of funding for the HR-Ware Empower modules for staff training and recruitment means that Human Resource staff will continue to use manual tracking instead of automated reporting tools necessary to address staff development and recruitment.
- The funding reduction for disc space for the Canadian Theatre Record initiative will reduce the number of materials that can be digitized and made available to the public. The elimination of funding for the Web Room Booking initiative will impact the public's ability to access room availability information via web access and will necessitate that TPL staff spend more time addressing inquiries from the public.

Conclusion:

Project reductions and deferrals are the only way to meet targets. As much needed repairs are delayed, more unplanned repairs are performed to meet emergency needs. This has the impact of increasing the overall long-term repair costs. The proposed reductions and deferrals to the 2003-2007 Capital Budget will negatively impact TPL's ability to address the backlog of repair projects and to address its current State of Good Repair maintenance program.

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City Librarian

List of Attachments:

Attachment 1: Toronto Public Library – 2003-2007 Capital Program – CAO/EMT
Recommended
Attachment 2: Toronto Public Library – Capital Project Deferral History