



## STAFF REPORT ACTION REQUIRED

### 2008 – 2012 Capital Budget Submission

|              |                              |
|--------------|------------------------------|
| <b>Date:</b> | September 17, 2007           |
| <b>To:</b>   | Toronto Public Library Board |
| <b>From:</b> | City Librarian               |

#### **SUMMARY**

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The purpose of this report is to obtain Toronto Public Library Board approval for the 2008 – 2012 Capital Budget Submission.

#### **RECOMMENDATIONS**

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The City Librarian recommends that the Toronto Public Library Board:

1. Adopts the 2008 – 2012 Capital Budget Submission, which has been provided to the City for discussion and consideration;
2. Authorizes and directs the appropriate staff to take the necessary action to give effect thereto.

#### **FINANCIAL IMPACT**

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The capital budget submission requests funding approval of \$12 million debt (\$18.349 million gross) in 2008 and \$48 million debt (\$79.787 million gross) over 2009 – 2012.

The capital budget submission is comprised of gross funding and City debt funding, with the difference being funding from non-debt sources such as contributions from developers and a transfer from the operating budget.

The Director, Finance and Treasurer has reviewed this report and agrees with the financial impact information.

## 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

A complete listing of all projects in the capital budget submission is included in the attached transmittal letter dated August 22, 2007 and addressed to Josie LaVita, Director of Financial Planning at the City. A summary of the Library's 2008 - 2012 capital budget request is shown below.

**2008 - 2012 Capital Budget and Plan Summary**  
**(\$000's)**

|                                  | 2008           | 2009           | 2010           | 2011           | 2012           | Total<br>2008-2012 |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|--------------------|
| Buildings - Gross                | 14,204         | 17,032         | 14,743         | 14,826         | 13,977         | 74,782             |
| IT - Gross                       | <u>4,145</u>   | <u>4,335</u>   | <u>4,708</u>   | <u>4,958</u>   | <u>5,208</u>   | <u>23,354</u>      |
| Total Gross Budget Request       | 18,349         | 21,367         | 19,451         | 19,784         | 19,185         | 98,136             |
| Other Sources of Funding         |                |                |                |                |                |                    |
| - Development Charges            | (2,916)        | (7,659)        | (3,935)        | (4,576)        | (5,477)        | (24,563)           |
| - Section 37 Reserves            | (1,500)        |                | (1,808)        | (1,500)        |                | (4,808)            |
| - Landlord contribution          | (288)          |                |                |                |                | (288)              |
| - Transfer from Operating Budget | <u>(1,645)</u> | <u>(1,708)</u> | <u>(1,708)</u> | <u>(1,708)</u> | <u>(1,708)</u> | <u>(8,477)</u>     |
| City Debt Funding Request        | <u>12,000</u>  | <u>12,000</u>  | <u>12,000</u>  | <u>12,000</u>  | <u>12,000</u>  | <u>60,000</u>      |
| City Funding Target              | 11,000         | 11,000         | 11,000         | 11,000         | 11,000         | 55,000             |

The Council-approved funding debt target of \$11 million has remained unchanged for the last three years. The annual capital budget debt funding request of \$12 million exceeds the approved debt target due to the following factors:

- the rising cost of construction and the need to implement “green” standards for buildings;
- the state of good repair backlog for buildings;
- the need to maintain buildings not slated for a major renovation and the ability to respond to branch relocations for leased branch space in malls;
- the demand for new and expanded branches; and
- the growing demands for virtual branch services.

The budget request is being made with consideration of the City's financial situation and the Library's needs.

Appendix 1 of the attached transmittal letter lists gross and debt funded cash flows of each project included in the capital budget, and Appendix 2 describes the status of 2008 projects.

## **CONTACT**

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## **SIGNATURE**

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Josephine Bryant  
City Librarian

## **ATTACHMENTS**

Attachment 1: Toronto Public Library 2008 - 2012 Capital Budget and Plan