



13.

To: Toronto Public Library Board – May 15, 2006

From: City Librarian

Subject: **2007 – 2010 Revised Capital Plan Submission**

Purpose:

To obtain Toronto Public Library Board approval for the 2007 - 2010 Revised Capital Plan Submission.

Funding Implications and Impact Statement:

The 2007 - 2010 Revised Capital Plan Submission seeks City funding approval of a four-year \$46.0 million envelope consisting of \$11.5 million each year, as detailed in Attachment 1. As the object of this submission is to obtain Council approval for an annual funding envelope, no approval or commitment for individual projects is being sought at this time.

Recommendation:

It is recommended that the Toronto Public Library Board approve the *2007 - 2010 Revised Capital Plan Submission*, which has been provided to the City for discussion and consideration.

Background:

In May 2005, Council approved the commencement of five-year capital plans beginning with the 2006 - 2010 Capital Budget and Plan. At the same time, Council approved a corporate multi-year debt guideline based on the maximum debt forecast that the City could sustain without impacting the City's credit rating.

At its meeting of December 8, 9 and 12, 2005, the 2006 Capital Budget was approved by Council with direction for City Programs and Agencies, Boards and Commissions to report back by June 2006, with a revised 2007 - 2010 Capital Plan that meets the City's debt affordability targets. The approved 2006 capital budget was adopted by the Board at its meeting of January 16, 2006, and the preliminary 2007 - 2010 Plan was presented for information.

Council also directed that: "the Chair, Toronto Public Library Board be requested to:

- (i) report to the Policy and Finance Committee on the feasibility of including a theatre as part of the Albion Library Project; and

- (ii) consider moving the Albion Library Capital Project forward as part of the 2007 - 2010 Capital Plan.”

The Library’s 2007 - 2010 Revised Capital Plan requirements are included in this report.

Comments:

In April 2006, the Library received a communication from the City indicating that its Capital target was set at \$11 million annually for 2007 - 2010. The target is comprised of \$10 million debt funding and \$1 million of funding from a corporate IT reserve.

Council approval of the additional 2007 - 2010 Capital Plan will establish a five-year Capital spending envelope for the Library, and allow the City to make long-term strategic decisions prior to setting annual fiscal targets.

A summary of the Library’s 2007 - 2010 revised capital plan request is shown below.

2007 - 2010 Revised Capital Plan Summary
(\$000's)

	2007	2008	2009	2010	Total 2007-2010
Buildings - Gross	14,241	11,891	14,176	16,565	56,873
IT - Gross	<u>4,087</u>	<u>3,895</u>	<u>3,958</u>	<u>3,958</u>	<u>15,898</u>
Total Gross Budget Request	18,328	15,786	18,134	20,523	72,771
Other Sources of funding	<u>6,828</u>	<u>4,286</u>	<u>6,634</u>	<u>9,023</u>	<u>26,771</u>
City Funding Requested	<u><u>11,500</u></u>	<u><u>11,500</u></u>	<u><u>11,500</u></u>	<u><u>11,500</u></u>	<u><u>46,000</u></u>
City Funding Target	11,000	11,000	11,000	11,000	44,000

As noted on the table above, the Library’s annual funding request from the City is \$0.5 million above the annual City target.

A complete listing of all projects in the revised capital plan submission is included in Attachment 1. Funding details are also provided in Attachment 2.

Changes made to the 2007 - 2010 capital plan since the January 16 Board meeting include:

- updated construction project costs estimates;
- maximization of non-debt sources of funding;

- consideration of the City priority neighbourhoods as part of priority setting;
- coordination with other City partners as a factor to determine overall project timing;
- adjusting the timing and cash flow of projects in an effort to meet the City funding target.

Moving the Albion Library Capital Project forward as part of the 2007 - 2010 Capital Plan in response to Council's request was not viable within the City funding target. The planning phase of the Albion Library project is scheduled to take place in 2011 when the feasibility of including a theatre as part of the project scope will be determined.

The schedule for review and approval of the 2007 - 2010 Capital Plan is as follows:

10-May-06	2007 - 2010 revised capital plan submission deadline
15-May-06	Library Board approval of submission request
19-May-06	City Manager / City Deputy Managers review
09-Jun-06	Budget Advisory Committee review
20-Jun-06	Policy & Finance Committee review
June 27 - 29	Council review and approval of the 2007 - 2010 capital plan envelope

The beginning of the next budget cycle is expected to start in mid-August 2006, when the Library will submit the 2007 - 2011 Plan seeking Council approval of the 2007 Budget and four-year funding envelope for 2008 - 2011.

Conclusion:

The 2007 - 2010 Revised Capital Plan Submission has been provided to the City for discussion and consideration. The expectation is that combined with the approved 2006 Capital Budget, Council approval of the subsequent four-year Plan will establish a five-year 2006 - 2010 funding envelope for the Library.

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Attachments:

Attachment 1: 2007 - 2010 Revised Capital Plan Submission: Gross and City Funding
Attachment 2: 2007 - 2010 Revised Capital Plan Submission: Sources of Funding