



STAFF REPORT ACTION REQUIRED

13.

2019-2028 Capital Budget and Plan Submission – Revised

Date:	October 29, 2018
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to seek the Toronto Public Library (TPL) Board approval for the revised 2019-2028 capital budget and plan submission.

City Finance staff has requested that TPL reclassify the City Hall project from the submission that meets debt targets and that it be moved to the projects that exceed debt targets and reallocate the \$3.636 million debt freed up by increasing funding for the Multi-Branch Minor Renovation program. Also, cash flows for future projects are being deferred to future years.

The reclassification and revised cash flows for the projects do not impact the overall total gross and debt over 2019-2028.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. approves the revised 2019-2028 capital budget and plan submission of \$21.915 million debt (\$28.830 million gross) for 2019 and \$251.234 million debt (\$472.871 million gross) over 2019-2028, comprised of:
 - 1.1 26 projects, as detailed in Attachment 1, totalling \$21.860 million debt (\$28.674 million gross) in 2019 and \$173.888 million debt (\$303.937 million gross) over 2019-2028, which **meets** the City debt targets; and
 - 1.2 nine (9) projects, as detailed in Attachment 2, totalling \$0.055 million debt (\$0.156 million gross) in 2019 and \$77.346 million debt (\$168.934 million gross) over 2019-2028 which **exceeds** the City debt targets.

FINANCIAL IMPACT

The revised 2019–2028 capital submission as summarized in Table 1 below is comprised of funding that meets the City’s debt targets of \$173.888 million (\$303.937 million gross) and funding that exceeds the City’s debt targets by \$77.346 million debt (\$168.934 million gross) and is therefore “below the line.” Assuming the additional \$77.346 million of debt is approved by the City, the un-addressed SOGR backlog is estimated to grow to \$125 million by 2028.

Table 1: 2019-2028 Capital Budget and Plan Submission - Revised (\$ millions)

	2019		2019-2028	
	<u>Gross</u>	<u>Debt</u>	<u>Gross</u>	<u>Debt</u>
Funding to meet Debt Targets (attachment 1)	28.674	21.860	303.937	173.888
Funding exceeding Debt Targets (attachment 2)	0.156	0.055	168.934	77.346
Total Budget Submission	28.830	21.915	472.871	251.234

The complete ten-year capital submission summary with gross and debt funding for capital projects is included in Attachments 1 – 2019-2028 Capital Budget and Plan Submission meeting Debt Targets and Attachment 2 – 2019-2028 Capital Budget and Plan Submission exceeding Debt Targets.

The Director, Finance and Treasurer has reviewed this financial impact statement and agrees with it.

DECISION HISTORY

On January 31 and February 1, 2018, City Council adopted the following:

- 1. City Council direct the Deputy City Manager, Internal Corporate Services to further develop a design and plans for Old City Hall that include a Museum of Toronto, a Toronto Public Library branch and wedding chamber with complementary uses such as a museum café and shop, public event space, and institutional uses, consistent with Option 3 as set out in the report (January 9, 2018) from the Deputy City Manager, Internal Corporate Services, and the Chief Purchasing Officer.*

At the meeting on September 24, 2018, the Library Board approved the [2019-2028 capital budget and plan](#) of \$21.915 million debt (\$34.942 million gross) in 2019 and \$251.234 million debt (\$472.871 million gross) over 2019-2028, which is comprised of \$173.888 million debt (\$315.909 million gross) meeting debt targets and \$77.346 million debt (\$156.962 million gross) above the debt targets.

ISSUE BACKGROUND

The 2019-2028 capital budget and plan submission meeting debt targets, approved by the Board at the September 24, 2018 meeting, included the City Hall relocation project, totalling \$3.636 million debt (\$15.968 million gross). City Finance staff has requested that TPL reclassify the City Hall project from the submission that meets debt targets and that it be moved to the projects that exceed debt targets and are therefore “below the line,” and reallocate the \$3.636 million debt freed up by increasing funding for the Multi-Branch Minor Renovation program.

COMMENTS

The revised capital submission reflects the reclassification of the City Hall capital project as well as other minor cash flow changes to the submission.

Funding Request Meeting Debt Targets - Revised

The capital funding meeting debt targets in the 2019-2028 capital submission of \$21.860 million debt (\$34.786 million gross) in 2019 and \$173.888 million debt (\$315.909 million gross) over 2019-2028 is being decreased by \$0 debt (\$6.112 million gross) in 2019 and \$0 debt (\$11.972 million gross) over 2019-2028 as shown in Table 2 below.

For the five projects that are experiencing delays, \$6.112 million gross cash flows were deferred from 2019 to 2020 (\$2.584 million) and 2021 (\$3.528 million). These changes do not affect the annual debt funding to meet City targets.

City Finance staff has requested that the City Hall project be removed from the list of projects that meet debt targets and added to the list of projects that exceed debt targets resulting in a net decrease of \$0 debt (\$11.972 million gross) funding over 2019-2028, comprised of a decrease of \$3.636 million debt (\$15.968 million gross) related to the reclassification of the City Hall capital project, and an increase of \$3.636 million debt (\$3.996 million gross) to the Multi-branch Minor Renovation plan to address SOGR needs.

The budget adjustments are summarized in the following Table 2:

Table 2 - Funding Meeting Debt Targets

2019-2028 CASH FLOWS - GROSS (\$M)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	TOTAL
Original Gross Submission	34.786	43.477	37.478	29.398	28.992	19.266	28.808	33.302	30.175	30.227	315.909
Cash Flow Adjustments:											
Bayview - Bessarion											
Wychwood	(1.000)		1.000								-
North York Central Phase 2	(1.000)		1.000								-
Albert Campbell	(2.601)	1.601	1.000								-
York Woods	(0.500)	0.500									-
subtotal	(1.011)	0.483	0.528								-
	(6.112)	2.584	3.528								-
Reclassification Adjustments:											
City Hall		(0.258)	(0.266)	(0.274)	(2.135)	(3.958)	(4.899)	(4.178)			(15.968)
Multi-Branch Renovation			0.088	1.496	0.334	0.873	1.205				3.996
subtotal	-	-	(0.258)	(0.266)	(0.186)	(0.639)	(3.624)	(4.026)	(2.973)	-	(11.972)
Revised Gross Submission	28.674	46.061	40.748	29.132	28.806	18.627	25.184	29.276	27.202	30.227	303.937

2019-2028 CASH FLOWS - DEBT (\$M)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	TOTAL
Original Debt Submission	21.860	22.077	20.411	17.160	13.410	13.410	16.330	16.410	16.410	16.410	173.888
Cash Flow Adjustments:											
Bayview - Bessarion											
Wychwood	1.880	(1.067)	(0.813)								-
North York Central Phase 2	1.376	(1.376)									-
Albert Campbell	(2.601)	1.607	0.994								-
York Woods	(0.500)	0.500									-
Multi-Branch Renovation	(0.379)	0.560	(0.181)								-
subtotal	0.224	(0.224)									-
Reclassification Adjustments:											
City Hall			(0.080)	(1.361)	(0.304)	(0.794)	(1.097)				(3.636)
Multi-Branch Renovation			0.080	1.361	0.304	0.794	1.097				3.636
subtotal	-	-	-	-	-	-	-	-	-	-	-
Revised Debt Submission	21.860	22.077	20.411	17.160	13.410	13.410	16.330	16.410	16.410	16.410	173.888

Details of the revised 2019-2028 capital budget and plan of \$21.860 million debt (\$28.674 million gross) for 2019 and \$173.888 million debt (\$303.937 million gross) over 2019-2028 that meets City debt targets are presented on Attachment 1.

Funding Request Exceeding Debt Targets – Revised

The City Hall capital project is now reclassified as “below the line” and the Multi-branch Minor Renovation program has been decreased. There are now nine capital projects that exceed the City’s debt targets and are considered unfunded requests. Details of the total revised unfunded requests of \$77.346 million debt (\$168.934 million gross) over 2019-2028 are presented on Attachment 2. These projects will be considered for funding through the budget review process.

Table 3 - Funding Exceeding Debt Targets

2019-2028 CASH FLOWS - GROSS (\$M)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	TOTAL
Original Gross Submission	0.156	1.708	4.011	7.324	22.130	29.808	26.258	28.405	19.621	17.541	156.962
Adjustments:											
City Hall					0.258	0.266	1.272	3.933	3.744	3.367	1.581
Multi-Branch Renovation							(1.185)	(0.174)	(0.099)	(0.289)	(0.549)
subtotal											(1.700)
Revised Gross Submission	0.156	1.708	4.269	7.590	22.217	33.567	29.903	31.483	20.653	17.388	168.934

2019-2028 CASH FLOWS - DEBT (\$M)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	TOTAL
Original Debt Submission	0.055	0.496	2.839	6.787	11.256	11.996	9.838	10.543	11.352	12.184	77.346
Adjustments:											
City Hall						1.078	0.158	0.090	0.263	0.500	1.547
Multi-Branch Renovation							(1.078)	(0.158)	(0.090)	(0.263)	(0.500)
subtotal											(1.547)
Revised Debt Submission	0.055	0.496	2.839	6.787	11.256	11.996	9.838	10.543	11.352	12.184	77.346

SOGR Backlog

If the revised 2019-2028 capital budget and plan submission is only approved at the funding that meets the City's debt targets, the SOGR unaddressed backlog would grow to over \$161 million or 12.4% of asset value by 2028. If the additional \$77.346 million debt exceeding the targets is approved as part of TPL's budget, the SOGR unaddressed backlog would grow to \$125 million or 9.4% of asset value by 2028. The high SOGR unaddressed needs are still significant as a result of TPL's ageing infrastructure and a history of inadequate funding.

CONTACT

Larry Hughsam; Director, Finance & Treasurer; Tel: 416-397-5946;
E-mail: lhughsam@torontopubliclibrary.ca

SIGNATURE

Vickery Bowles
City Librarian

ATTACHMENTS

Attachment 1: 2019-2028 Capital Budget and Plan Submission – Revised Project funding request meeting Debt Targets

Attachment 2: 2019-2028 Capital Budget and Plan Submission – Revised Project funding request that exceeds Debt Targets

TORONTO PUBLIC LIBRARY
Revised 2019 - 2028 Capital Budget and Plan - Gross and Debt Funding
Project Funding Meeting Debt Targets
(\$millions)

PROJECT NAME	PROJECT INFORMATION					GROSS										DEBT										TOTAL 2019- 2028					
	Cost Est.	Develop. Charges	S. 37/ 45/ Reserves	Other Funding	Debt	2019	2020	2021	2022	2023	TOTAL 2019- 2023	2024	2025	2026	2027	2028	TOTAL 2024- 2028	TOTAL 2019- 2028	2019	2020	2021	2022	2023	TOTAL 2019- 2023	2024	2025	2026	2027	2028	TOTAL 2024- 2028	
1 Tech Asset Mgmt Prg (TAMP)	45.164	2.226	-	13.780	29.158	3.883	4.100	4.100	4.100	4.900	21.083	5.110	4.940	5.831	4.100	4.100	24.081	45.164	2.463	2.360	2.722	2.722	3.013	13.280	3.133	3.562	4.329	2.489	2.365	15.878	29.158
2 Virtual Branch Services (VBS)	15.000	13.800	-	-	1.200	1.500	1.500	1.500	1.500	1.500	7.500	1.500	1.500	1.500	1.500	1.500	7.500	15.000	0.050	0.250	0.050	0.250	0.050	0.650	-	0.250	-	0.300	-	0.550	1.200
3 Multi-Branch Renovation Program (SOGR)	59.610	5.310	-	-	54.300	5.712	4.470	3.919	6.834	7.161	28.096	8.730	5.427	5.966	6.298	5.093	31.514	59.610	5.385	3.855	3.886	5.998	6.590	25.714	7.788	5.018	5.427	5.732	4.621	28.586	54.300
4 Expansion of Technological Efficiencies	1.600	0.069	-	-	1.531	0.650	-	-	-	-	0.650	-	-	-	-	-	0.650	0.650	0.650	-	-	-	-	-	0.650	-	-	-	-	-	0.650
5 Answerline & Community Space Rental Modernization	1.400	0.061	-	-	1.339	0.850	-	-	-	-	0.850	-	-	-	-	-	0.850	0.850	0.850	-	-	-	-	-	0.850	-	-	-	-	-	0.850
6 Bayview-Bessarion	15.322	8.169	-	0.580	6.573	3.067	5.782	5.702	-	-	14.551	-	-	-	-	-	14.551	3.067	1.541	1.774	-	-	-	6.382	-	-	-	-	-	6.382	
7 Wychwood	15.796	10.004	1.500	1.400	2.892	4.206	6.290	1.000	-	-	11.496	-	-	-	-	-	11.496	1.785	-	-	-	-	-	1.785	-	-	-	-	-	1.785	
8 North York Central Phase 2	12.118	2.218	-	-	9.900	3.000	5.454	1.000	-	-	9.454	-	-	-	-	-	9.454	3.000	3.242	0.994	-	-	-	7.236	-	-	-	-	-	7.236	
9 Dawes Road	23.624	14.885	-	6.200	2.539	0.322	2.208	6.867	5.786	3.658	18.841	-	-	-	-	-	18.841	-	-	1.213	0.999	-	2.212	-	-	-	-	-	2.212		
10 St. Clair/Silverthorn	3.815	0.748	-	-	3.067	0.500	-	-	-	-	0.500	-	-	-	-	-	0.500	0.320	-	-	-	-	-	0.320	-	-	-	-	-	0.320	
11 Albert Campbell	15.539	3.453	-	-	12.086	2.500	6.728	5.746	-	-	14.974	-	-	-	-	-	14.974	2.500	5.761	3.388	-	-	-	11.649	-	-	-	-	-	11.649	
12 Centennial	11.340	7.397	-	-	3.943	0.167	-	3.970	3.915	3.121	11.173	-	-	-	-	-	11.173	-	-	2.357	1.419	-	3.776	-	-	-	-	-	3.776		
13 York Woods	10.158	2.399	-	-	7.759	1.527	4.281	2.280	-	-	8.088	-	-	-	-	-	8.088	1.513	3.568	0.608	-	-	-	5.689	-	-	-	-	-	5.689	
14 Guildwood	1.183	0.439	-	0.100	0.644	0.591	-	-	-	-	0.591	-	-	-	-	-	0.591	0.096	-	-	-	-	-	0.096	-	-	-	-	-	0.096	
15 Richview	3.509	0.334	-	-	3.175	0.199	1.219	1.037	1.054	-	3.509	-	-	-	-	-	3.509	0.181	0.903	1.037	1.054	-	3.175	-	-	-	-	-	3.175		
16 Perth/Dupont - 299 Campbell Avenue	4.405	2.250	1.055	1.100	-	-	3.373	0.952	-	-	4.325	-	-	-	-	-	4.325	-	-	-	-	-	-	-	-	-	-	-	-		
17 Northern District	12.255	1.704	-	-	10.551	-	0.656	2.382	4.431	4.786	12.255	-	-	-	-	-	12.255	-	0.597	2.382	4.431	3.141	10.551	-	-	-	-	-	10.551		
18 Parliament Street	18.916	8.745	-	-	10.171	-	-	0.293	0.603	-	0.896	-	4.338	4.593	4.094	3.329	16.354	17.250	-	-	-	0.089	-	0.089	-	2.252	3.987	2.818	0.116	9.173	9.262
19 High Park	8.936	2.065	-	-	6.871	-	-	-	0.242	0.243	0.485	1.907	3.858	2.686	-	-	8.451	8.936	-	-	-	0.198	0.243	0.441	1.907	3.744	0.779	-	6.430	6.871	
20 St. Lawrence	27.135	19.031	-	-	8.104	-	-	-	0.667	0.669	1.336	-	4.406	4.551	5.191	5.559	19.707	21.043	-	-	-	0.134	0.134	-	0.917	0.199	1.159	1.798	4.073	4.207	
21 Agincourt	1.375	-	1.375	-	-	-	-	-	1.375	1.375	-	-	-	-	-	-	1.375	-	-	-	-	-	-	-	-	-	-	-	-		
22 Bridlewood	1.900	-	1.900	-	-	-	-	-	1.102	1.102	0.798	-	-	-	-	-	0.798	1.900	-	-	-	-	-	-	-	-	-	-	-	-	
23 Sanderson	11.083	2.512	-	-	8.571	-	-	-	0.291	0.291	0.291	-	0.292	-	3.723	3.209	3.568	10.792	11.083	-	-	-	0.239	0.239	0.292	-	1.263	3.209	3.568	8.332	8.571
24 Weston	11.189	2.159	-	-	9.030	-	-	-	-	-	0.290	0.291	-	2.810	3.942	7.333	7.333	-	-	-	0.290	0.239	-	0.703	3.942	5.174	5.174				
25 Mimico	16.427	4.248	-	-	12.179	-	-	-	-	-	-	0.424	0.426	-	2.605	3.455	3.455	-	-	-	-	-	-	-	0.348	0.426	-	-	0.774	0.774	
26 Port Lands New Construction	21.597	19.438	-	-	2.159	-	-	-	-	-	-	-	-	-	-	0.531	0.531	0.531	-	-	-	-	-	-	-	-	-	-	-		
27 Capital Budget Meeting Debt Targets	370.396	133.664	5.830	23.160	207.742	28.674	46.061	40.748	29.132	28.806	173.421	18.627	25.184	29.276	27.202	30.227	130.516	303.937	21.860	22.077	20.411	17.160	13.410	94.918	13.410	16.330	16.410	16.410	16.410	78.970	173.888

TORONTO PUBLIC LIBRARY
Revised 2019 - 2028 Capital Budget and Plan - Gross and Debt Funding
Project Funding Exceeding Debt Targets
(\$millions)

	PROJECT INFORMATION					GROSS										DEBT										TOTAL 2019- 2028						
	Cost Est.	Develop. Charges	S. 37/ 45/ Reserves	Other Funding	Debt	2019	2020	2021	2022	2023	TOTAL 2019-2023	2024	2025	2026	2027	2028	TOTAL 2024- 2028	2019	2020	2021	2022	2023	TOTAL 2019- 2023	2024	2025	2026	2027	2028				
1	Toronto Reference Library	22.312	4.266	-	-	18.046	0.156	0.499	0.547	4.811	4.867	10.880	4.456	4.407	2.569	-	-	11.432	22.312	0.055	0.496	0.543	4.505	4.867	10.466	2.613	3.907	1.060	-	-	7.580	18.046
2	Other Multi-Branch Minor SOGR projects	5.475	0.493	-	-	4.982	-	-	1.440	1.698	2.337	5.475	-	-	-	-	-	5.475	5.475	-	-	1.310	1.545	2.127	4.982	-	-	-	-	-	4.982	
3	City Hall Relocation and Expansion	15.968	12.332	-	-	3.636	-	-	0.258	0.266	1.272	1.796	3.933	3.744	3.367	1.581	1.547	14.172	15.968	-	-	-	-	1.078	1.078	0.158	0.090	0.263	0.500	1.547	2.558	3.636
4	Barbara Frum	20.416	5.309	-	-	15.107	-	-	-	-	-	-	0.531	0.532	-	6.794	6.638	14.495	14.495	-	-	-	-	-	-	0.531	0.436	-	3.226	4.993	9.186	9.186
5	Parkdale	36.738	19.714	-	-	17.024	-	-	-	-	0.925	0.925	0.928	-	8.372	8.581	9.203	27.084	28.009	-	-	-	-	-	-	0.185	-	-	3.929	5.644	9.758	9.758
6	Lillian H. Smith	17.645	6.744	-	-	10.901	-	-	0.380	0.381	-	0.761	4.310	4.437	4.440	3.697	-	16.884	17.645	-	-	0.312	0.381	-	0.693	2.951	2.445	1.115	3.697	-	10.208	10.901
7	Downsview	15.967	4.217	-	-	11.750	-	-	0.432	0.434	-	0.866	6.246	4.664	4.191	-	-	15.101	15.967	-	-	0.432	0.356	-	0.788	3.811	2.960	4.191	-	-	10.962	11.750
8	Danforth/Coxwell Relocation and Expansion	16.059	10.271	-	-	5.788	-	0.419	0.420	-	5.176	6.015	4.931	3.734	1.379	-	-	10.044	16.059	-	-	0.084	-	3.184	3.268	1.747	-	0.773	-	-	2.520	5.788
9	Etobicoke Civic Centre New Construction	33.004	29.705	-	-	3.299	-	0.790	0.792	-	7.640	9.222	8.232	8.385	7.165	-	-	23.782	33.004	-	-	0.158	-	-	0.158	-	-	3.141	-	-	3.141	3.299
	Projects exceeding debt targets	183.584	93.051	-	-	90.533	0.156	1.708	4.269	7.590	22.217	35.940	33.567	29.903	31.483	20.653	17.388	132.994	168.934	0.055	0.496	2.839	6.787	11.256	21.433	11.996	9.838	10.543	11.352	12.184	55.913	77.346