

2022-2031 Capital Budget and Plan – Adoption

Date:	February 28, 2022
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to seek Toronto Public Library Board adoption of the Council-approved 2022-2031 Capital Budget and Plan of \$38.912 million debt (\$50.625 million gross) for 2022 and \$360.866 million debt (\$516.784 million gross) over 2022-2031.

The 2022-2031 Capital Budget and Plan reflects Toronto Public Library's (TPL) demonstrated ability to deliver on its capital program, including modernizing library buildings to address a significant State of Good Repair (SOGR) backlog and accessibility issues while providing flexible public spaces that meet the needs of the 21st century library service, innovative digital technologies, and extensive computer services.

The 2022-2031 Capital Budget and Plan, which is informed by TPL's first Facilities Master Plan that was approved in 2019, represents the fourth budget adopted under this Board and there have been significant achievements over this period. Since 2018, the 10-year plan has nearly doubled, and has included additional funding for state of good repair, accessibility needs, advancing TPL's digital strategy, and enabling service modernization and transformation.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. adopts the Council-approved 2022-2031 Capital Budget and Plan, as detailed in Attachment 1, of \$38.912 million debt (\$50.625 million gross) for 2022 and \$360.866 million debt (\$516.784 million gross) over 2022-2031.

FINANCIAL IMPACT

TPL's approved 2022-2031 Capital Budget and Plan, including preliminary carry-forward funding, consists of a 2022 cash flow of \$38.912 million debt (\$50.625 million gross) and total 2022-2031 cash flows of \$360.866 million debt (\$516.784 million gross), as detailed on Attachment 1.

The Council-approved budget and plan is comprised of 2022 cash flow projects with future year commitments, including carry-forward funding, and 2023-2031 uncommitted capital projects. The following table summarizes these components of the budget and plan:

Table 1: 2022-2031 Approved Capital Budget and Plan Summary
Committed and Uncommitted Cash Flow (\$ Millions)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2022-2031 (Incl. Carry Forward)
Gross 2022 Projects with future year commitments including carry forward funding (see Note 1)	50.625	53.363	38.089	11.243	5.318	-	-	-	-	-	158.638
Uncommitted Future Year Projects (Commencing in 2023 & beyond) - (see Note 2)	-	0.931	17.336	43.742	52.655	50.081	49.070	45.360	48.439	50.532	358.146
Total Gross	50.625	54.294	55.425	54.985	57.973	50.081	49.070	45.360	48.439	50.532	516.784
Debt 2022 Projects with future year commitments including carry forward funding	38.912	41.045	32.686	6.904	5.318	-	-	-	-	-	124.865
Uncommitted Future Year Projects (Commencing in 2023 & beyond)	-	0.783	4.440	28.521	30.497	30.251	33.586	30.953	34.731	42.239	236.001
Total Debt	38.912	41.828	37.126	35.425	35.815	30.251	33.586	30.953	34.731	42.239	360.866

Note 1: Project listing of 2022 projects with future year commitments can be found on page 27 in Appendix 6a of the [2022 Budget Notes](#).

Note 2: Project listing of uncommitted future year projects can be found on page 28 in Appendix 6b of the [2022 Budget Notes](#).

Council approval of the 2022-2031 budget and plan only confers authority to spend the 2022 projects budget and related future year spending for approved projects within the budget and plan. This amounts to \$124.865 million debt (\$158.638 million gross), including carry forward from 2021. Spending requirements for projects commencing in future years have to be submitted annually for approval.

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

DECISION HISTORY

At its meeting on December 6, 2021, the Library Board endorsed the [2022-2031 Capital Budget and Plan Submission](#) of \$38.912 million debt (\$50.625 million gross) for 2022 and \$373.460 million debt (\$550.556 million gross) over 2022-2031, which is comprised of funding for 34 projects that reflect TPL's Capacity to Spend Capital Budget and Plan of \$360.866 million debt (\$516.784 million gross) and identified two unfunded projects that reflect TPL's Capital Needs Constraints of \$12.594 million debt (\$33.772 million gross).

At its meeting on January 24, 2022, the Library Board was verbally informed that the City Staff-Recommended Budget and Plan was the same as the Submission.

COMMENTS

At its final wrap up meeting on February 7, 2022, the City's Budget Committee endorsed the City Staff-Recommended 2022-2031 Capital Budget and Plan for TPL of \$360.866 million debt (\$516.784 million gross), which is comprised of all 34 capital projects in the Board's Capacity to Spend Capital Budget and Plan request.

At its meeting on February 11, 2022, the Executive Committee endorsed the Budget Committee's recommended 2022-2031 Capital Budget and Plan.

At its meeting on February 17, 2022, City Council approved the [2022-2031 Capital Budget and Plan](#), as recommended by the Executive Committee, of \$38.912 million debt (\$50.625 million gross) for 2022 and \$360.866 million debt (\$516.784 million gross) over 2022-2031 (including preliminary carry forward from 2021). The approved 10-year plan represents an increase of \$76.807 million or 17.5% over the prior year 10-year plan and includes additional funding to support the 2020-2024 Digital Strategy, the addition of three new projects (Pleasant View Construction, St. Lawrence Interim Relocation and Mr. Christie's Site (Design)) and addresses higher construction costs. The 34 projects included in the approved budget and plan are listed in Attachment 1.

The 2022-2031 Capital Budget and Plan does not include funding for the two projects in the Capital Needs Constraints, Danforth/Coxwell Relocation and City Hall Relocation, totalling \$12.594 million debt (\$33.772 million gross) as listed in Attachment 2. Both projects involve other city partners and with construction starting after 2022. Funding for these projects will need to be addressed in future budgets.

The State of Good Repair (SOGR) backlog, over the next 10 years, is expected to increase from \$182.1 million or 10.7% of total asset value at the end of 2021 to \$184.2

million or 8.6% of the total asset value at the end of 2031, informed and updated by Property Condition Assessments.

Section 24(2) of the *Public Libraries Act* requires the Board to adopt the annual estimates that have been approved by City Council.

Development Charges Act

The 2022-2031 Capital Budget and Plan incorporates changes to the Development Charge Act as contained in Bill 108 (More Homes, More Choice Act, 2019) and further amended in Bill 197 (COVID-19 Economic Recovery Act), which allows for a greater percentage of Development Charges (DC) funding for growth projects compared to the previous legislation. The City is currently undergoing a review of its DC By-Law to update and incorporate the changes reflected in the Development Charge Act. The new By-Law, which includes rates for collecting DC from developers, is expected to be approved by Council in spring 2022.

Capital Budget Progress

The 2022-2031 Capital Budget and Plan represents the fourth budget adopted under this Board and there have been significant achievements over this period. Since 2018, the 10-year plan has increase by \$244.962 million gross (\$179.397 million debt), which represents a 90% gross (99% debt) increase. The higher capital budget, informed by TPL's first Facilities Master Plan that was approved in 2019, is a recognition of TPL's ability to spend its capital budget and also deliver design excellence. The additional funding allows TPL to address state of good repair issues, accessibility needs, and increasing public space through branch renovations and expansions to meet the demands of a growing population. Sustainable annual funding has been established to support the digital strategy and service modernization and transformation.

Development charge funding has increased by \$74.001 million since 2018, or 108%, which is a reflection of both the recent changes to the Development Charges Act as was discussed above, and a design focus to address population growth not just through net new branches and expansions of existing branches, but also through reimagining existing spaces to increase public utilization.

Potential 2022 Capital Budget Reduction

At its meeting of February 7, 2022, the City Budget Committee adopted the following motion:

1b. Budget Committee request that the City Manager, in consultation with the Chief Financial Officer and Treasurer, to provide a briefing note to the February 11, 2022 meeting of the Executive Committee with further analysis on Budget Briefing Note 18

titled '[Continued COVID-19 Support Funding from Federal/Provincial Governments - Potential Impacts of Inadequate 2022 Funding Support](#)', outlining the anticipated impact on each division and agency's capital budgets.

As detailed in budget Briefing Note [#26 - Feb 11, 2022 Continued COVID-19 Support Funding from Federal/Provincial Governments - Capital Funding Risk](#), if funding for COVID-19 pressures is not received from other levels of government, then the City would need to reduce its capital budget by up to \$300 million, and TPL's share would be a potential reduction of \$7.690 million or 20% of debt funding. If TPL is required to reduce its capital budget and plan by \$7.690 million of debt, this would impact 4 projects as follows:

- Multi Branch Renovation Program
 - Significant increase in SOGR backlog and delay in meeting AODA requirements; potential for service interruption and increased costs due to emergency repairs which are more costly by nature.
- Toronto Reference Library Renovation
 - Increase in SOGR backlog and delay in meeting AODA requirements; potential for service interruption and increased costs due to emergency repairs which are more costly by nature.
- Technology Asset Management Program (TAMP)
 - Delay in lifecycle replacement of public IT assets resulting in performance issues and inability to meet service level standards.
 - Delay in implementation of digital strategy resulting in lower productivity from outdated systems, inability to execute on IT risk and governance program, and increased technical debt
- Service and Digital Modernization
 - Deferring program and digital modernization and staff productivity and collaboration projects; delaying execution of strategic roadmap putting outcome of strategic plan at risk which would directly impact customer service.

CONCLUSION

The 2022-2031 Council-approved Capital Budget and Plan reflects TPL's demonstrated ability to deliver on its capital program, including modernizing library buildings to address a significant SOGR backlog while providing flexible public spaces that meet the needs of the 21st century library service, innovative digital technologies, and extensive computer services. However, it does not completely address the significant SOGR backlog issue. The need for additional funding to address the growing SOGR backlog continues to be a concern.

CONTACT

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SIGNATURE

Vickery Bowles
City Librarian

ATTACHMENTS

Attachment 1: Council-Approved 2022-2031 Capital Budget & Plan – Gross and
Debt Funding

Attachment 2: 2022-2031 Capital Needs Constraints – Unfunded

Attachment 1

TORONTO PUBLIC LIBRARY

2022 - 2031 Capital Budget and Plan - Gross and Debt Funding

Capacity to Spend Capital Budget and Plan

(\$millions)

Council Approved February 17, 2022

PROJECT NAME	PROJECT INFORMATION					GROSS										DEBT										TOTAL 2022 - 2031 (incl \$14,739 M cfwd)			
	Cost Est.	Develop. Charges	S. 37/ 45/ Reserves	Other Funding	Debt	2022 (incl \$12,177 M cfwd)	2023 (incl \$4,300 M cfwd)	2024 (incl \$0,351 M cfwd)	2025	2026	2027	2028	2029	2030	2031	TOTAL 2022 - 2031 (incl \$16,828 M cfwd)	2022 (incl \$11,155 M cfwd)	2023 (incl \$3,233 M cfwd)	2024 (incl \$0,351 M cfwd)	2025	2026	2027	2028	2029	2030	2031			
Technology Projects																													
1 Tech Asset Mgmt Prg (TAMP)	58,698	4,660	-	-	54,038	5,180	6,914	6,133	5,776	6,815	5,236	5,391	5,550	5,707	5,996	58,698	5,180	6,914	5,520	5,198	6,134	4,712	4,852	4,995	5,136	5,397	54,038		
2 Service and Digital Modernization	28,157	2,355	-	-	25,802	7,000	6,615	4,959	2,130	1,160	1,189	1,218	1,249	1,286	1,351	28,157	6,562	6,153	4,463	1,917	1,044	1,070	1,096	1,124	1,157	1,216	25,802		
3 Digital Experiences (DXP)	19,160	11,330	-	-	7,830	1,961	2,204	1,856	1,696	1,642	2,060	1,765	1,703	1,767	2,505	19,159	0,946	1,635	0,650	0,594	0,575	0,721	0,618	0,596	0,618	0,877	7,830		
4 Answerline & Community Space Rental Modernization	1,400	0,061	-	-	1,339	0,744										0,744	0,744	-	-								0,744		
Total Technology Projects	107,416	18,407	-	-	89,009	14,885	15,733	12,948	9,602	9,617	8,485	8,374	8,502	8,760	9,852	106,758	13,432	14,702	10,633	7,709	7,753	6,503	6,566	6,715	6,911	7,490	88,414		
Building Projects																											66,347		
5 Multi-Branch Renovation Program (SOGR)	73,133	6,122	0,664	-	66,347	9,318	8,199	6,730	6,293	6,440	6,560	6,760	6,917	7,080	9,454	73,751	8,602	6,779	6,412	5,664	5,796	5,904	6,084	6,225	6,372	8,509	66,347		
6 North York Central Phase 2	12,718	0,931	-	-	11,787	1,134										1,134	1,134	-	-								1,134		
7 Albert Campbell	21,352	0,766	-	-	20,586	3,385	1,124	-	-	-	-	-	-	-	-	4,509	3,088	1,124	-	-	-	-	-	-	-	-	4,212		
8 Bayview-Bessarion	15,957	5,109	-	0,580	10,268	3,035	0,500	-	-	-	-	-	-	-	-	3,535	2,287	0,500	-	-	-	-	-	-	-	-	2,787		
9 Centennial	17,242	5,202	-	0,274	11,766	1,505	6,600	5,948	2,500	-	-	-	-	-	-	16,553	-	5,570	5,948	-	-	-	-	-	-	-	-	11,518	
10 Dawes Road	31,636	9,945	-	1,200	20,491	0,448	4,866	7,519	7,744	5,318	-	-	-	-	-	25,895	0,448	1,591	5,136	6,005	5,318	-	-	-	-	-	-	-	18,498
11 Bridlewood	8,987	2,708	-	1,000	5,279	2,534	6,362	-	-	-	-	-	-	-	-	8,896	-	5,279	-	-	-	-	-	-	-	-	5,279		
12 Maryvale	3,333	1,890	-	0,822	0,621	1,735	-	-	-	-	-	-	-	-	-	1,735	0,621	-	-	-	-	-	-	-	-	-	0,621		
13 Northern District - Streetscaping	0,990	-	0,990	-	-	0,914	-	-	-	-	-	-	-	-	-	0,914	-	-	-	-	-	-	-	-	-	-	-		
14 Northern District	13,879	1,354	-	-	12,525	0,275	0,430	3,187	5,253	4,734	-	-	-	-	-	13,879	0,196	0,430	1,912	5,253	4,734	-	-	-	-	-	-	-	12,525
15 Toronto Reference Library	23,873	1,610	-	-	22,263	3,646	3,126	3,000	2,000	2,000	2,000	2,000	2,000	2,101		23,873	3,646	3,126	2,800	1,800	1,800	1,800	1,800	1,800	1,891	22,263			
16 Wychwood	15,796	6,443	1,500	1,400	6,453	2,468	-	-	-	-	-	-	-	-	-	2,468	2,468	-	-	-	-	-	-	-	-	-	2,468		
17 York Woods	13,824	2,016	-	-	11,808	1,968	-	-	-	-	-	-	-	-	-	1,968	1,968	-	-	-	-	-	-	-	-	-	1,968		
18 Weston	15,897	4,871	-	-	11,026	0,303	0,502	3,647	6,011	5,417	-	-	-	-	-	15,880	0,303	0,502	0,656	5,058	4,490	-	-	-	-	-	-	-	11,009
19 Etobicoke Civic Centre	30,215	29,864	-	-	0,351	0,299	0,564	6,069	6,761	6,964	9,558	-	-	-	-	30,215	-	-	0,351	-	-	-	-	-	-	-	0,351		
20 Richview	3,546	0,018	-	-	3,528	0,719	1,212	1,554	-	-	-	-	-	-	-	3,485	0,719	1,212	1,554	-	-	-	-	-	-	-	3,485		
21 Pleasant View	4,667	0,481	4,186			0,268	0,368	1,986	2,045	-	-	-	-	-	-	4,667	-	-	-	-	-	-	-	-	-	-	-		
22 Deer Park - Design	0,144	-	-	0,144	-	0,144	-	-	-	-	-	-	-	-	-	0,144	-	-	-	-	-	-	-	-	-	-	-		
23 High Park	16,133	7,141	-	-	8,992	0,244	0,418	0,172	-	3,701	6,100	5,498	-	-	-	16,133	-	0,230	0,172	-	-	3,092	5,498	-	-	-	8,992		
24 Barbara Frum	18,439	1,557	0,004	-	16,878	-	0,375	0,579	3,344	5,166	5,321	3,654	-	-	-	18,439	-	0,281	0,579	2,456	4,587	5,321	3,654	-	-	-	16,878		
25 Parkdale	32,778	9,513	-	-	23,265	-	0,502	0,862	0,355	5,940	9,177	9,452	6,490	-	-	32,778	-	0,502	0,517	0,080	-	6,224	9,452	6,490	-	-	23,265		
26 Perth / Dupont - 299 Campbell Avenue	4,797	2,523	1,174	1,100	-	1,398	3,359	-	-	-	-	-	-	-	-	4,757	-	-	-	-	-	-	-	-	-	-	-		
27 St.Lawrence - Interim Location	3,240	1,802	-	-	1,438	-	0,054	0,083	0,751	1,237	1,115	-	-	-	-	3,240	-	-	0,060	-	0,263	1,115	-	-	-	1,438			
28 St.Lawrence - First Parliament Location	37,410	0,495	-	-	36,915	-	-	-	-	-	-	-	-	-	0,561	0,561	-	-	-	-	-	-	-	-	0,066	0,066			
29 Lillian H. Smith	49,337	10,757	-	-	38,580	-	0,745	1,278	0,527	1,194	6,681	9,175	11,813	9,734		41,147	-	-	0,068	1,278	0,527	-	-	6,970	11,813	9,734	30,390		
30 Parliament Street	26,920	14,337	-	-	12,583	-	0,396	0,680	0,280	-	4,889	7,553	7,780	5,342		26,920	-	-	0,328	0,122	0,280	-	-	2,534	5,321	3,998	12,583		
31 Sanderson	24,474	12,217	-	-	12,257	-	-	-	0,368	0,632	0,261	1,230	4,504	6,959	7,167		21,121	-	-	0,267	0,261	-	-	-	1,209	7,167	8,904		
32 Mimico Centennial	19,647	2,741	2,000	-	14,906	-	-	-	-	0,310	0,532	0,219	3,596	5,556		10,213	-	-	-	-	0,031	0,532	0,219	1,305	3,384	5,471			
33 Port Lands	21,776	1,149	-	-	20,627	-	-	-	-	-	-	-	0,451	0,698		1,149	-	-	-	-	-	-	-	-	-	-			
34 Christie Site - Design	0,370	0,370	-	-	-	-	-	-	-	-	-	-	-	-	0,067	0,067	-	-	-	-	-	-	-	-	-	-			
Total Building Projects	562,512	143,934	10,518	6,520	401,539	35,740	38,561	42,477	45,383	48,356	41,596	40,696	36,858	39,679	40,681	410,026	25,480	27,126	26,493	27,716									

TORONTO PUBLIC LIBRARY
2022 - 2031 Capital Budget and Plan - Gross and Debt Funding
Capital Needs Constraints - Unfunded
(\$millions)

	PROJECT INFORMATION					GROSS										DEBT												
	PROJECT NAME	Cost Est.	Develop. Charges	S. 37/ 45/ Reserves	Other Funding	Debt	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	TOTAL 2022-2031	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	TOTAL 2022-2031
1	Danforth/Coxwell Relocation and Expansion	17.642	9.343			8.299	-	0.226	0.685	-	5.574	5.311	4.023	1.823	-	-	17.642	-	-	0.091	-	1.869	2.621	2.020	1.698	-	-	8.299
2	City Hall Relocation and Expansion	16.130	11.835	-	-	4.295	-	0.265	0.273	2.221	4.045	4.892	4.434	-	-	-	16.130	-	-	0.053	-	0.720	0.939	2.583	-	-	-	4.295
	Total Projects in Capital Needs Constraints	33.772	21.178	-	-	12.594	-	0.491	0.958	2.221	9.619	10.203	8.457	1.823	-	-	33.772	-	-	0.144	-	2.589	3.560	4.603	1.698	-	-	12.594

2022-2031 capital budget adoption

TPL Board meeting

February 28, 2022



2022 capital budget



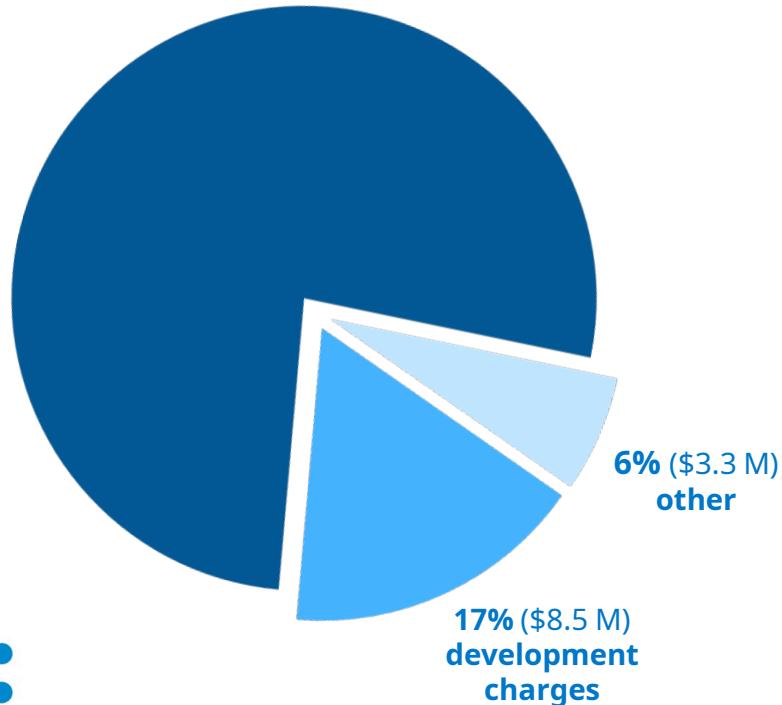
2022 capital budget

total budget: \$50.6 million

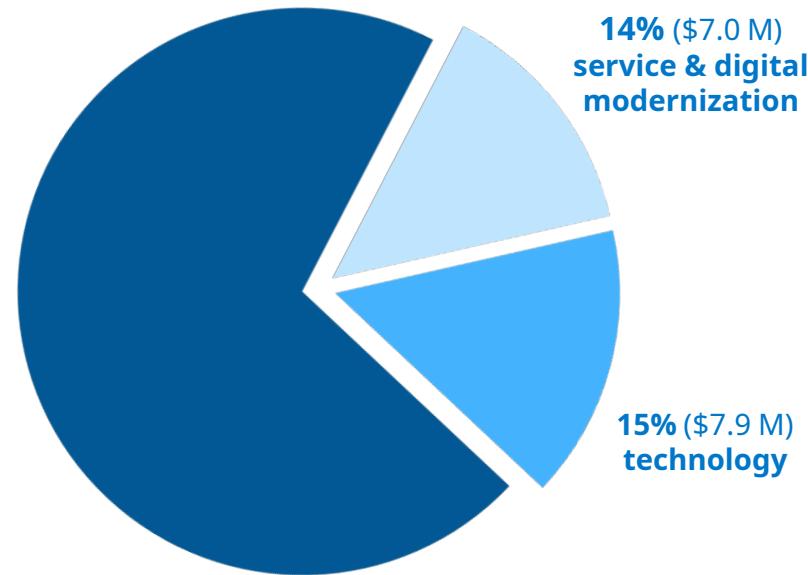
- **major branch renovation/expansion**
Albert Campbell, Maryvale, Wychwood, York Woods, NYCL,
Bridlewood, Ethennonnhawahstihnen', Perth/Dupont
- **planning/design for future renovations**
Dawes Road, Weston, Pleasant View, Etobicoke Civic Centre, High Park, TRL
- **state of good repair renovations**
- **IT equipment and technology needs**
- **digital services modernization**

2022 capital budget

where the money **comes from**



where the money **goes**



capital budget progress over the past four years

- approval of TPL's first **Facilities Master Plan**
- new and sustainable funding for **digital strategy** and **service modernization**
- increased funding for **technology replacement**
- funding for **asset replacement reserve**
- **nearly double funding** in the 10 year capital plan