



14.

To: Toronto Public Library Board – March 24, 2003

From: City Librarian

Subject: **2003 – 2007 Capital Budget**

Purpose:

To adopt the Toronto Public Library (TPL) 2003-2007 Capital Budget as approved by City of Toronto Council.

Funding Implications and Impact Statement:

The TPL 2003-2007 Capital Budget, as approved by City Council, reflects a gross approval of \$12.468 million for 2003 and \$22.977 million for 2003-2007. The net expenditure funding is \$9.600 million for 2003 and \$19.225 million for 2003-2007.

The operating budget impact of the approved Capital Budget is \$0.197 million in 2003. This amount excludes financing charges which are budgeted by the City.

Recommendation:

It is recommended that the Toronto Public Library Board adopt the 2003-2007 Capital Budget, as approved by City Council at its meeting of February 24-March 3, 2003, which reflects gross expenditures of \$12.468 million in 2003 and \$22.977 million for 2003-2007, and net expenditures of \$9.600 million in 2003 and \$19.225 million for 2003-2007.

Background:

S24(1) of the *Public Libraries Act* states:

“A public library board.... shall submit to the appointing council, annually on or before the date and in the form specified by the council, estimates of all sums required during the year for the purposes of the board.”

S24(2) of the *Public Libraries Act* states:

“The amount of the board's estimates that is approved or amended and approved by the council shall be adopted by the board and shall be paid to the board out of the money appropriated for it.”

This report adopts the council approved capital budget.

Comments:

The approved 2003-2007 Capital Budget of \$12.468 million in 2003 and \$22.977 million in 2003-2007 represents a continued strategy towards meeting TPL's requirements: to address a critical backlog of repairs; for an annual state of good repair program; for expansion projects to meet service demands; and for new technologies in delivering library services. While the capital budget has increased significantly over the last five years as shown below, the 2003 gross capital budget has remained relatively unchanged for the last 3 years.

**APPROVED CAPITAL BUDGET
(\$ millions)**

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Gross Capital	3.800	6.957	12.025	11.876	12.468
Net Capital	3.800	6.357	11.325	9.627	9.600

At its meeting of October 28, 2002 the Board approved the Library's 2003-2007 Capital Budget as submitted to the City, which showed a 2003 gross budget of \$15.202 million and a net budget of \$12.380 million net. Subsequent to the board meeting a \$0.046 million external funding adjustment was made to the Jane Sheppard project, resulting in a new net budget of \$12.334 million.

At the Executive Management Team (EMT) review, certain revisions were made to the 2003 capital budget submission resulting in a reduction of \$2.734 million to the budget request. This EMT recommended reduction was adopted by the Board on November 25, 2002. At the Budget Advisory Committee (BAC) meeting on February 10-14, 2003, the Policy and Finance meeting on February 21, 2003 and the City Council meeting on February 24-March 3, 2003, the EMT recommended budget was approved at \$12.468 million in 2003 and \$22.977 million in 2003-2007.

The 2003-2007 approved Capital Budget is comprised of 14 initiatives as detailed in Attachment 1 and highlights include:

- Initiatives previously approved and currently underway are: Maria Shchuka Reconstruction, Malvern Renovation & Expansion, St. James Town Construction, Runnymede Renovation, McGregor Park Reconstruction, Public Database Remediation, Remote and Personalized Service and Intranet Document Management;
- Continued retrofit and renovation of Toronto Reference Library;
- Continuation of the multi-branch State of Good Repair program for roofing, building systems, flooring and shelving programs. The multi-branch painting program was removed from the 2003 capital budget and is being phased into the operating budget over three years;
- Renovation of Beaches;

- Renovation of Long Branch;
- New Electronic Information Services for the redesign of the Virtual Reference Library website, increase in disk space for digitization of library materials, and infrastructure upgrades to improve reliability and security;
- Relocation of Jane Sheppard.

At its meeting on December 6, 2002, BAC passed a number of motions requesting information from TPL, one of which was for library staff to submit a long-term, five-year, \$50 million capital budget at \$10 million per year. A report detailing TPL's proposed adjustments to its 5 year, \$50 million capital budget and a proposal to show how the 2004-2008 capital program with an annual target of approximately \$10 million per year could be administered, was presented to the Board on January 27, 2003. In addition, the Board also received for information a report from the CAO/CFO dated January 21, 2003, recommending a long term capital funding envelope at \$10 million (net) per year for TPL that would allow for improved capital planning. The following recommendations were adopted by City Council on the week of February 24-March 3, 2003:

(183) *The joint report (January 21, 2003) entitled "Long Term Capital Strategy for Toronto Public Library" from the Chief Administrative Officer and the Chief Financial Officer and Treasurer be adopted, wherein it is recommended that:*

(a) *Toronto Public Library total capital funding target for 2004 through 2008 be established at \$10.000 million (net) for both previously approved and new projects; and,*

(b) *To ensure continued consistency within the overall City of Toronto's affordability, the funding target for Toronto Public Library be monitored annually; and,*

(184) *The Chair, Toronto Public Library Board Foundation, be requested to continue fund raising efforts.*

Conclusion:

A long-term capital strategy at \$10 million (net) per year as approved by City Council may be reasonable given the City's current financial constraints. However, given TPL's aging facilities, the significant increase in Library use, and the capital under-funding since amalgamation, there is a short-term need over the next few years for additional funding to address a backlog of repairs. In addition, the long-term capital strategy does not account for any anticipated population growth. The City of Toronto Urban Development Services Department estimated that Toronto's population is anticipated to grow by approximately 130,000 people over the next five years. Depending on where the growth occurs in the City, new Library branches or expansion of existing branches may be necessary to respond to this need for additional library service.

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City Librarian

List of Attachments:

Attachment 1: Toronto Public Library - 2003-2007 Capital Program – Council Approved.