



August 22, 2002

To: Eric Gam
Commissioner, Community and Neighbourhood Services

From: Josephine Bryant
City Librarian

Subject: Toronto Public Library 2003 – 2007 Capital Budget

MISSION STATEMENT

Toronto Public Library (“TPL”) provides free and equitable access to public library services which meet the changing needs of the people of Toronto.

Toronto Public Library preserves and promotes universal access to a broad range of human knowledge, experience, information and ideas in a welcoming and supportive environment. New technologies extend access to global information beyond library walls.

Toronto Public Library upholds the principle of Intellectual Freedom.

Effective partnerships enhance library service throughout the City. Toronto Public Library is accountable for the effective management of library resources and for the quality of library service offered to the people of Toronto.

PLANNING FRAMEWORK

TPL’s five-year capital plan is informed by two key planning initiatives adopted by the Library Board during the first term of Council. The Service Delivery Model and Strategic Plan provide the planning framework for dealing with the branch infrastructure inherited from the predecessor boards and for moving forward with a sustainable network of libraries to meet Toronto’s present and future needs. The project cost estimates for the new 2003 building projects are supported by a State of Good Repair report by Wong Gregersen Architects and updated order of magnitude estimates provided by Hanscomb Limited.

The Service Delivery Model is based on tiers of service:

1. Neighbourhood libraries (minimum 7,000 sq. ft.) serving local populations of 25,000 and above within a catchment area of 1.6 km radius;
2. District libraries (minimum 25,000 sq. ft.) strategically located throughout the city to provide a broader range of resources and services to populations of 125,000 and above with a catchment area of 2.5 km radius;
3. Research and reference libraries which serve the entire population of Toronto through comprehensive collections and services; and
4. Technology and community-based services that are not branch-dependent and are offered citywide, e.g., electronic services and home library service.

TPL's Strategic Plan, *Creating the Future, Treasuring the Past*, includes library buildings as one of four areas of focus. The plan identifies the need to:

- Continue a building and renovation program for neighbourhood, district and research and reference libraries;
- Revitalize the Toronto Reference Library by transforming the main floor and the street space into vibrant public space; and
- Pursue a number of initiatives aimed at visually appealing design and a safe, welcoming environment.

Another of the Strategic Plan's four areas of focus is the Virtual Library. This "clicks and mortar" mode of service delivery is a key component of the service delivery strategy, which requires capital as well as operating expenditure for its on-going development. Unlike building projects, which have a localized impact, capital expenditure in electronic service delivery benefits residents in all areas of the city equally.

Building State of Good Repair

An asset life management program includes annual capital maintenance expenditures based on industry standards. Capital maintenance is the preventive and remedial upkeep and repair of a building and its components (HVAC, electrical, plumbing, elevators, roofing, carpentry and painting), to achieve a "state of good repair". Achieving a "state of good repair" also requires ensuring that today's library services can be offered in older facilities. Based on an estimated value of \$420 million for TPL's buildings, industry standards for annual maintenance are as follows:

- The City of Toronto's 2000-2004 Capital Program Corporate Report (page 19, Template 6) read: ***A standard benchmark based on 2.5%...of insured value provides an estimate of annual state of good repair or maintenance capital expenditures necessary to sustain the city's facilities.*** Applying this factor, the annual cost for TPL would be \$10.5 million and \$52.5 million over 5 years. This amount would include multi-branch repairs related to roofing, building systems, flooring, shelving and painting.
- The Building and Research Board of the National Research Council in the U.S. published a 1990

report in which they recommended a guideline of between 2% to 4% of current replacement costs, or \$8.4 million to \$16.8 million per year (over 5 years, \$42 million to \$84 million).

Approximately 20% of the buildings assumed by TPL following amalgamation were in need of critical repair or replacement and past funding has not been sufficient to address this issue. Of TPL's 101 buildings approximately 20% are more than 50 years old and 60% are more than 25 years old. The funding history for state of good repairs for buildings is:

SOGR		
Year	Funding	Shortfall
1998	\$ 1.8 million	\$ (8.7 million)
1999	3.8 million	(6.7 million)
2000	6.8 million	(3.7 million)
2001	9.4 million	(1.1 million)
2002	<u>7.5 million</u>	<u>(3.0 million)</u>
	<u>\$29.3 million</u>	<u>\$(23.2 million)</u>

Using the standard benchmark of 2.5% above, the average annual requirement of \$10.5 million results in a funding shortfall of \$23.2 million since amalgamation. TPL's request for state of good repairs for buildings is \$11.3 million (\$5.2 million previously approved) in 2003 and \$62.2 million over 2003-2007, which reflects on-going efforts to achieve the benchmark state of good repairs funding levels as well as addressing part of the backlog of repairs.

During each of the past 3 years, TPL has commissioned Hanscomb Limited to provide order of magnitude estimates for building projects. In 2002, Wong Gregersen Architects was hired to perform a State of Good Repair report on most of TPL facilities. The information from the SOGR report was used by Hanscomb in their estimates which are based on established current competitive construction rates which consider building type and extent of construction work.

Electronic Information Services

A key component of TPL's service delivery strategy is electronic information services. The Strategic Plan, in its focus area "Your Global Library: Connecting you Virtually" outlines initiatives to enable Library services and collections to be accessed from within library buildings and from beyond our walls across the city and around the world, 24 hours a day, seven days a week. The use of technology makes it easier for Toronto citizens to find information, to access library and government services and to conduct business and personal transactions on-line.

The Library has addressed the "digital divide" barrier by providing 1,300 PCs with public Internet access in all 98 branches. Training is provided in classroom settings in 11 branches across the City. The Library's web site delivers information about the Toronto Public Library itself, its programs and services, and access to the Library catalogue. The Library's Virtual Reference Library provides a framework for a variety of digital information resources and services for users, including 5 specialized gateways and access to commercial full-text databases.

The Library uses technology to conduct business with customers. The online catalogue allows customers to reserve library materials without staff intervention and to check the status of current transactions with the Library. A multi-year capital project is making it possible to implement real-time virtual reference services, on-line booking of Library PCs with public Internet access over the web and a single-search interface to Library services and resources.

These services experienced growth of 70% in 2001, with growth in 2002 projected at 50%. The on-going effectiveness of these services is dependent upon maintaining a state of good repair for the information technology infrastructure.

2003-2007 CAPITAL BUDGET REQUIREMENT

TPL's proposed 2003 capital budget and multiyear forecast is based on the following criteria:

1. The planning framework for dealing with the branch infrastructure as provided by the Service Delivery Model, Strategic Plan, the NORR report on building condition analysis, the Wong Gregerson Architects state of good repair report and Hanscomb order of magnitude estimates;
2. The need to address a critical backlog of repair projects;
3. The need for an appropriate annual "state of good repair" program;
4. The need for new technologies in delivering library services; and
5. The need for expansion of some of the existing District and Neighbourhood libraries.

It is essential that TPL's capital budget be at a level that recognizes the scope of the operation and addresses the substantial backlog of repairs. In 2003, there is an opportunity to bring TPL's capital budget up to an adequate level to meet the full range of needs.

2003-2007 GROSS CAPITAL BUDGET SUMMARY (000'S)

PROJECT APPROVAL & COMMITMENT

(Reference Appendix 1)

Previously Approved

- Building
- Information Technology

New (Appendix 1A)

- Building
- Information Technology

Total Buildings Previously Approved + New

Total Info Tech Previously Approved + New

Gross Total Previously Approved + New Projects

FUTURE YEAR PROJECTS (2004-2007)

(Reference Appendix 2)

- Building
- Information Technology

Gross Total Future Year Projects

Total Gross Capital Submission

2003			2003-2007		
SOGR	Growth & Enhanc.	Total	SOGR	Growth & Enhanc.	Total
5,205	2,116	7,321	9,094	3,782	12,876
	226	226	569	753	1,322
5,205	2,342	7,547	9,663	4,535	14,198
6,132	392	6,524	11,236	834	12,070
1,131		1,131	1,131		1,131
7,263	392	7,655	12,367	834	13,201
11,337	2,508	13,845	20,330	4,616	24,946
1,131	226	1,357	1,700	753	2,453
12,468	2,734	15,202	22,030	5,369	27,399
-	-	-	41,858	7,535	49,393
-	-	-	7,000		7,000
-	-	-	48,858	7,535	56,393
12,468	2,734	15,202	70,888	12,904	83,792

2003-2007 NET CAPITAL BUDGET SUMMARY (000'S)

Gross Total Previously Approved + New Projects

Less:

Development Charge Funding

McGregor

Jane Sheppard

Debentures funded by cost savings from Jane Sheppard Relocation

2002 Carry Forward Funding

Net Total Previously Approved + New Projects

Gross Total Future Year Projects

Less:

Development Charge Funding

Net Total Future Year Projects

Total Net Capital Submission

2003			2003-2007		
SOGR	Growth & Enhanc.	Total	SOGR	Growth & Enhanc.	Total
12,468	2,734	15,202	22,030	5,369	27,399
	(275)	(275)		(275)	(275)
	(334)	(334)		(334)	(334)
(246)	(58)	(304)	(525)	(500)	(1,025)
(500)	(1,409)	(1,909)	(500)	(1,409)	(1,909)
11,722	658	12,380	21,005	2,851	23,856
-	-	-	48,858	7,535	56,393
-	-	-		(1,525)	(1,525)
-	-	-	48,858	6,010	54,868
11,722	658	12,380	69,863	8,861	78,724

Project Approval & Commitment (Reference Appendix 1)

The TPL's Capital Budget Submission contains gross capital project spending of \$15.2 million in 2003 and associated commitment approvals totaling \$27.4 million over 2003-2007. After considering available development charge funding, 2002 carry forward funding and operating savings from the Jane Sheppard branch relocation, the total required net debenture financing is \$12.4 million in 2003 and \$23.9 million 2003-2007.

The gross funding request includes previously approved projects amounting to \$7.6 million in 2003 and \$14.2 million in 2003-2007. The new projects for which approval and commitment is being requested total \$7.7 million in 2003 and \$13.2 million in 2003-2007. On a net basis, after considering development charge funding and 2002 carry forward funding, required funding for previously approved projects total \$5.4 million in 2003 and \$12.0 million in 2003-2007.

Previously Approved Projects

Previously approved building projects consist of 5 projects which total \$7.3 million in 2003 and \$12.9 million in 2003-2007. Previously approved information technology projects consist of 3 projects which total \$0.2 million in 2003 and \$1.3 million in 2003-2007.

New Projects (Reference Appendix 1A)

New projects contained in the TPL's 2003-2007 Capital Budget Submission amount to a further gross funding request of \$7.7 million in 2003 and \$13.2 million in 2003-2007. Contained within this request is the Jane Sheppard branch relocation which is expected to cost \$1.7 million on a gross basis, but will require only \$0.3 million of new debenture funding, after considering available development charges and operating savings from the branch relocation. On a net basis, therefore, the total required funding for new projects is \$7.0 million in 2003 and \$11.9 million in 2003-2007.

New projects are comprised of 6 building projects, including a multi-branch SOGR program for roofing, building systems, flooring, painting and shelving, and 1 information technology project. All 6 building projects are state of good repair, with 1 project having an expansion component. The information technology project is also for state of good repair.

Buildings

- Toronto Reference Library - Renovation & Retrofit
- Multi-branch State of Good Repair Program
- Beaches - Renovation
- Long Branch - Renovation
- Pape/Danforth - Renovation
- Jane/Sheppard – Relocation

Information Technology

- Electronic Information Services

More information on these projects is in Appendix 1A.

Future Years Projects 2004-2007 (Reference Appendix 2)

Appendix 2 details TPL's future projects which begin after 2003 and for which no approval or commitment is being sought at this time. The gross funding for future year projects total \$56.4 million in 2004-2007. Future year projects comprise 14 building projects for \$49.4 million and 1 information technology project for \$7.0 million. All 14 building projects involve state of good repair renovations and 3 of the projects have an expansion component. The single information technology project is also for state of good repair.

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City Librarian

List of Attachments:

Appendix 1 - 2003 – 2007 Capital Budget – Project Approval & Commitment (Previously Approved and New Projects)

Appendix 1A – 2003 – 2007 Capital Budget – Approval & Commitment- New Projects

Appendix 2 - 2003 – 2007 Capital Budget – Future Year Projects 2004-2007

Copies to: Brian Kerr, Ken Wasylyk, Alan Cohen, John Forsyth