

2019-2028 Capital Budget and Plan Submission

Date:	September 24, 2018
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to seek Toronto Public Library (TPL) Board approval of the 2019-2028 capital budget and plan submission of \$21.915 million debt (\$34.942 million gross) for 2019 and \$251.234 million debt (\$472.871 million gross) over 2019–2028.

The ten-year budget and plan funding request is comprised of 27 projects totalling \$173.888 million debt (\$315.909 million gross) that meet the City debt targets, and eight projects totalling \$77.346 million debt (\$156.962 million gross) that exceed the City debt targets. This additional debt funding would result in a stable ten-year inflation adjusted funding program and partially address the funding shortfall resulting from inadequate and declining annual debt targets, and allow the Library to address additional State of Good Repair (SOGR) needs.

Even with the additional debt funding request, TPL's SOGR backlog is estimated to grow to over \$125 million by 2028.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. approves the 2019-2028 capital budget and plan submission of \$21.915 million debt (\$34.942 million gross) for 2019 and \$251.234 million debt (\$472.871 million gross) over 2019 – 2028, comprised of:
 - 1.1 27 projects, as detailed in Attachment 1, totalling \$21.860 million debt (\$34.786 million gross) in 2019 and \$173.888 million debt (\$315.909 million gross) over 2019-2028, which **meets** the City debt targets; and
 - 1.2 eight projects, as detailed in Attachment 2, totalling \$0.055 million debt (\$0.156 million gross) in 2019 and \$77.346 million debt (\$156.962 million gross) over 2019-2028 that would address SOGR needs but which **exceeds** the City debt targets.

FINANCIAL IMPACT

The 2019-2028 capital submission as shown in Table 1 below is comprised of funding for 27 projects that meets the City's debt targets of \$173.888 million (\$315.909 million gross) and funding for eight projects that exceeds the City's debt targets by \$77.346 million debt (\$156.962 million gross). Even with the additional debt funding request, the un-addressed SOGR backlog is estimated to grow to over \$125 million by 2028.

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

	2019		2019-2028	
	<u>Gross</u>	<u>Debt</u>	<u>Gross</u>	<u>Debt</u>
Funding to meet Debt Targets (attachment 1)	34.786	21.860	315.909	173.888
Funding exceeding Debt Targets (attachment 2)	0.156	0.055	156.962	77.346
Total Budget Submission	34.942	21.915	472.871	251.234

The gross ten-year capital plan request is comprised of City debt funding of \$251.234 million, or 53.1%, and non-debt sources of funding of \$221.637 million, or 46.9%, including development charges (DC) (\$193.868 million, or 41.0%), contribution from the operating budget (\$15.780 million, or 3.3%), Section 37 funding (\$5.345 million, or 1.1%), City reserves (\$1.100 million, or 0.2%), and other funding (\$5.544 million, or 1.2%). The complete ten-year capital funding request exceeds City debt targets of \$173.888 million by \$77.346 million.

The incremental net operating impacts over the 2019-2028 period total \$6.174 million and 47.2 full-time equivalents (FTEs) net, comprised of \$1.898 million (10.7 FTEs) from the funding request meeting debt targets and \$4.276 million (36.5 FTEs) from the funding request exceeding debt targets. The additional operating expenses of \$1.898 million and 10.7 FTEs from the funding request meeting debt targets is mainly due to planned expansion of Dawes Road branch and the relocation and expansion of Bayview-Bessarion, Parliament Street and Perth/Dupont branches partially offset by efficiency savings from capital investment in technological improvement initiatives – Expansion of Technological Efficiencies and Answerline & Community Space Rental Modernization. The \$4.276 million additional operating expenses (36.5 FTEs) from the funding request exceeding debt targets is mainly due to planned relocation and expansion of the Danforth/Coxwell branch and construction of a 20,000 square foot neighbourhood library on City-owned property at the new Etobicoke Civic Centre complex.

The complete ten-year capital submission summary with gross and debt funding for capital projects is included in Attachments 1 and 2.

The Director, Finance and Treasurer has reviewed this financial impact statement and is in agreement with it.

ALIGNMENT WITH STRATEGIC PLAN

The 2019-2028 capital budget and plan supports TPL's strategic plan, in particular: advancing State of Good Repair projects to provide welcoming, well-maintained and efficient public space; increasing access to in-branch services and spaces through new options to expand public and community space; and transforming library branches for modern service excellence.

TPL's 2019-2028 capital budget and plan submission aligns and supports Council's strategic plan and vision to make Toronto a *centre of innovation and growth*. The capital plan builds and maintains beautiful *public space in every neighbourhood* and leverages digital advances and technology *to create smart and efficient services*. By enhancing the physical accessibility of library branches and expanding digital access, the plan supports equitable access to library services for all and enhances investment and quality of life in neighbourhoods across the City.

DECISION HISTORY

At the meeting on June 18, 2018, the Library Board reviewed the [2019 - 2028 Capital Budget and Plan Preview](#) report, which detailed funding of \$173.888 million debt (\$315.583 million gross) over 2019-2028 that met City targets, and additional debt funding of \$77.346 million that exceeded debt targets over the ten-year period.

ISSUE BACKGROUND

Over the summer, staff refined the capital submission. There is no change to the capital preview funding exceeding debt targets. The capital preview funding meeting City debt targets has been updated as described below.

Funding To Meet City Debt Targets

The capital funding meeting debt targets in the 2018-2027 capital preview of \$21.860 million debt (\$36.982 million gross) in 2019 and \$173.888 million debt (\$315.583 million gross) over 2019-2028 is being decreased by \$2.196 million gross in 2019 and increased by \$0.326 million gross (\$0 debt) over 2019-2028 as shown in Table 2 below. These changes are technical or minor in nature and do not affect the annual debt funding to meet City targets.

Table 2: Changes from Capital Preview - Meeting Debt Targets (\$ millions)

	2019		2019 - 2028	
	Gross	Debt	Gross	Debt
Capital Preview Meeting Debt Targets (June 18, 2018)	\$ 36.982	\$ 21.860	\$ 315.583	\$ 173.888
<u>Changes</u>				
NYCL Phase 2 - Technical Adjustment	\$ 0.337	\$ 1.317	\$ -	\$ -
Albert Campbell - Technical Adjustment	\$ (2.533)	\$ (1.317)	\$ 0.076	\$ -
Agincourt - Technical Adjustment (S 37 Funding)	\$ -	\$ -	\$ 0.250	\$ -
Total Changes	\$ (2.196)	\$ -	\$ 0.326	\$ -
Budget Submission Meeting Debt Targets	\$ 34.786	\$ 21.860	\$ 315.909	\$ 173.888

COMMENTS

The capital submission achieves the following strategic objectives:

1. Provide a budget program that is fiscally responsible and deliverable;
2. Transform branches for modern library service;
3. Focus on addressing state of good repair for branches;
4. Address City growth intensification areas;
5. Maximize alternative (non-debt) funding sources; and
6. Minimize the operating impact of the capital program.

2019-2028 Capital Budget and Plan Submission

The 2019-2028 capital submission will be presented to the City in two sections: Capital funding for 27 projects meeting debt targets (Attachment 1); and additional debt funding for eight projects to address the funding shortfall resulting from inadequate and declining annual debt targets and maintain a stable, inflation-adjusted funding stream (Attachment 2).

The capital budget and plan submission as summarized in Table 3 below is comprised of 27 projects totalling \$21.860 million debt (\$34.786 million gross) in 2019 and \$173.888 million debt (\$315.909 million gross) that meet the City debt targets and \$77.346 million debt (\$156.962 million gross) over 2019-2028 that exceeds the City debt targets. The funding over the ten-year period will accomplish many goals, including partially addressing the growing SOGR backlog, advancing digital service delivery, and increasing access for all Torontonians to library service.

Table 3: 2019 - 2028 Capital Budget and Plan Submission (\$ millions)

	2019			2019 - 2028		
	Gross	Debt Funding	Non-Debt Funding	Gross	Debt Funding	Non-Debt Funding
Funding to meet Debt Targets (Attachment 1)	\$ 34.786	\$ 21.860	\$ 12.926	\$315.909	\$173.888	\$142.021
Funding exceeding Debt Targets (Attachment 2)	\$ 0.156	\$ 0.055	\$ 0.101	\$156.962	\$ 77.346	\$ 79.616
Total Budget Submission	\$ 34.942	\$ 21.915	\$ 13.027	\$472.871	\$251.234	\$221.637

Despite the higher debt funding request in the capital budget submission that exceeds City debt targets over the ten years, there would still be a remaining unfunded SOGR backlog that will grow to over \$125 million by 2028.

Funding Sources

The funding sources and the impact on the operating budget of the 2019-2028 capital submission is summarized in Table 4 below and detailed in Attachment 3.

Table 4: 2019 - 2028 Capital Budget and Plan Funding Sources Submission (\$ millions)

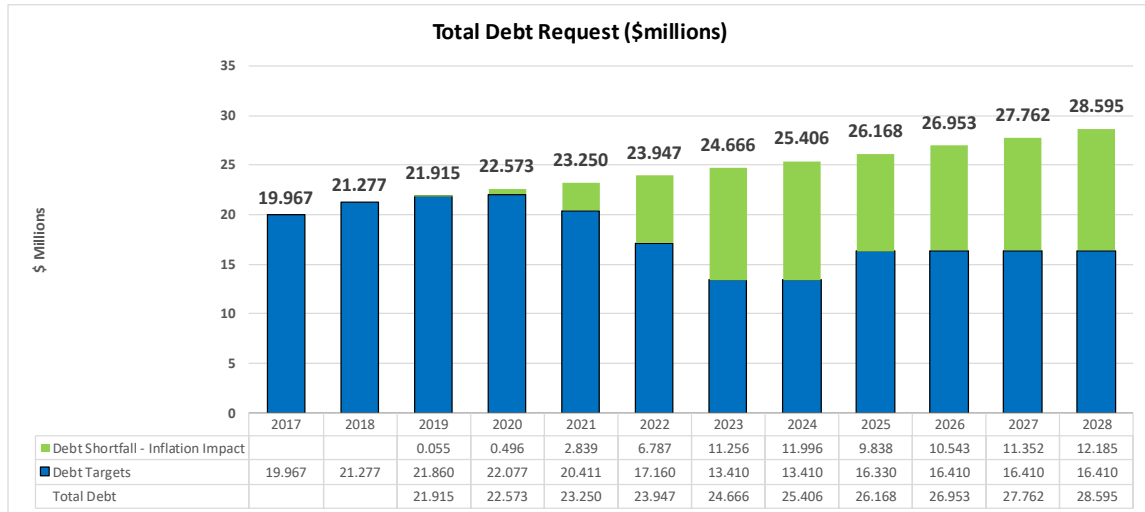
	2019		2019 - 2028	
	\$	%	\$	%
Funding Sources				
Debt	\$ 21.915	62.7%	\$ 251.234	53.1%
Development Charges	\$ 9.690	27.7%	\$ 193.868	41.0%
Contribution from Operating	\$ 1.778	5.1%	\$ 15.780	3.3%
Section 37 Funding	\$ 1.015	2.9%	\$ 5.345	1.1%
City Reserves	\$ -	0.0%	\$ 1.100	0.2%
Other Funding	\$ 0.544	1.6%	\$ 5.544	1.2%
Total Capital Budget	\$ 34.942	100.0%	\$ 472.871	100.0%
Incremental Operating Impacts	\$ (0.415)		\$ 6.174	
<i>FTE</i>	(4.5)		47.2	

Debt Funding Request in Excess of Debt Targets

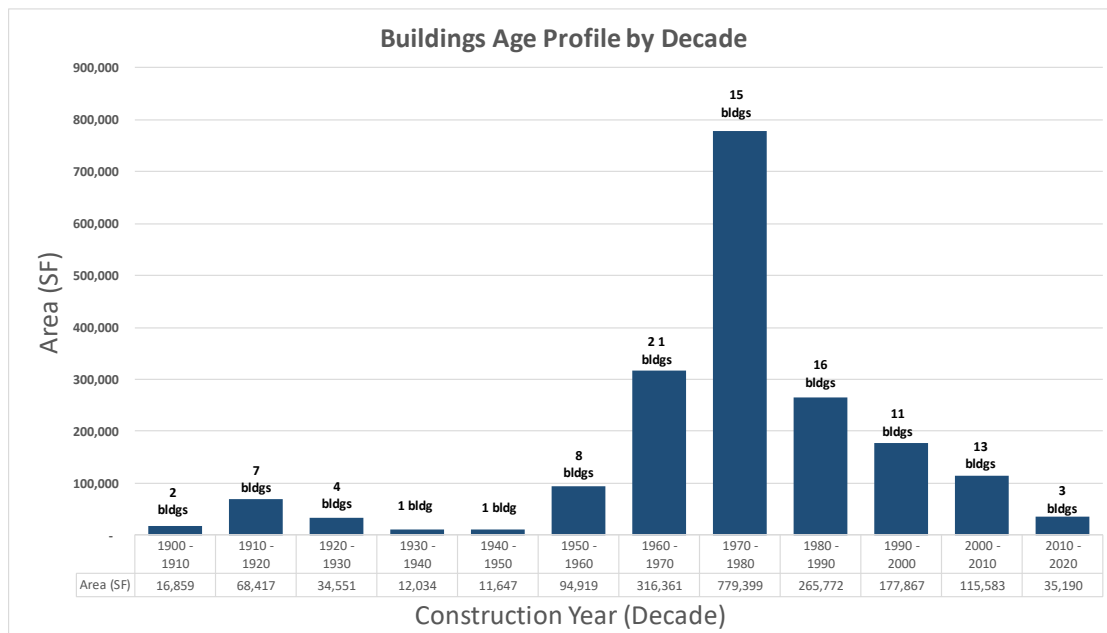
TPL is requesting additional debt funding that is in excess of the inadequate and declining debt targets imposed by the City, for a number of reasons, including:

1. Decreasing Debt Targets: The debt targets assigned to TPL (see Chart 1) decreases starting in 2021 before increasing again in 2025 and then remaining flat. This decrease in funding is even more impactful as it does not keep up with the cost escalations due to inflation and therefore does not allow TPL to deliver a capital program that addresses requirements such as the SOGR backlog as discussed more below. This inadequate debt funding makes it difficult for TPL to deliver on its strategic objectives and Council priorities.

Chart 1 shows the City-imposed debt targets and the additional debt required to fund the debt shortfall. As shown in the chart, the total debt request results in a much more stable, inflation adjusted and sustainable funding program that provides the ability to proceed with the planned capital program to address a greater portion of the SOGR needs of the library.



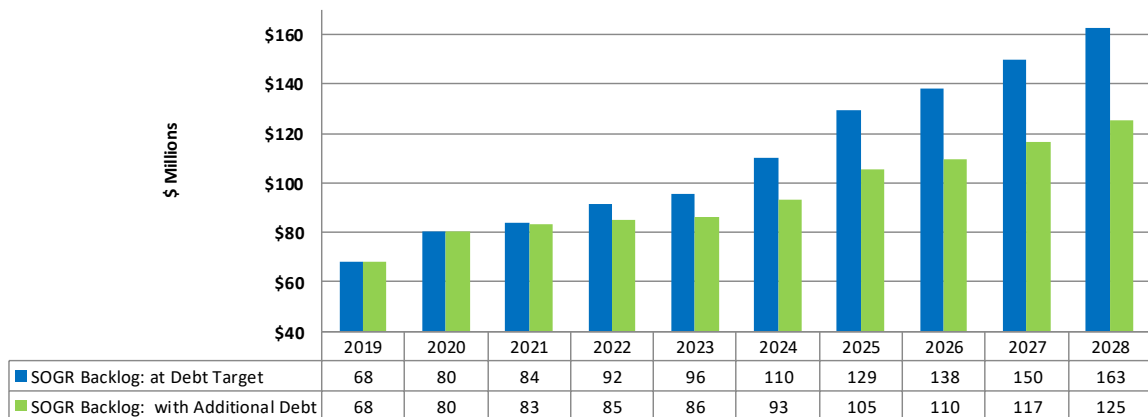
2. **Ageing Assets and SOGR Backlog:** 70% of TPL's buildings were built in the 1960/70/80s. Major components of these buildings are now nearing the end of their useful lives and require replacement or major overhaul within the next ten years. Therefore, it is imperative that TPL's debt targets not decrease each year but instead should be increasing in order to prevent a surge in the SOGR backlog.



The combination of inadequate debt targets and an ageing infrastructure results in TPL's SOGR backlog increasing over the next ten years. Even if funding for the debt shortfall is received, TPL's SOGR backlog would continue to grow to \$125 million by 2028. Because debt funds the majority of the capital program, the level of debt funding is the primary factor in determining TPL's ability to address SOGR and other capital needs.

Chart 3 compares the SOGR backlog over the next ten years for the TPL capital budget and plan that includes additional debt funding versus a budget and plan that meets the City debt targets. As can be clearly seen, the City's inadequate debt targets results in an increase of the SOGR backlog to \$162 million by 2028. With the funding request beyond the debt targets, the accumulated SOGR backlog would decrease by \$37 million, and stand at \$125 million by 2028, representing unmet SOGR needs.

**Chart 3: Accumulated SOGR Backlog -
Debt Target vs. Additional Debt (\$millions)**



3. Ability to Deliver on Capital Program: A final reason for funding exceeding the imposed debt targets is TPL's history of above-average spending rates as compared to other City divisions and agencies. As stated in the city's budget instructions, part of fiscal responsible budgeting is utilizing the funds committed in a responsible manner. Over the last three years, TPL's spending has averaged close to 90% with average spending levels across the City of only 65%. TPL has consistently demonstrated that it can manage its capital program and would be able to successfully deliver on its capital program and significantly impact the SOGR backlog if provided with a larger debt funding envelope.

CONCLUSION

The capital submission represents a fiscally responsible budget submission and does not attempt to completely address the significant SOGR backlog issue.

The additional debt funding in excess of the assigned debt targets is required to provide steady funding levels adjusted for inflation. This will allow TPL to modernize library buildings to address a significant SOGR backlog and at the same time provide flexible public spaces that meet the needs of the 21st century library service, including innovative digital technologies, extensive computer services, and children and youth program spaces.

TPL has achieved a three-year average capital completion rate of close to 90%, one of the highest in the City. This demonstrates TPL's readiness and ability to execute its capital program within the approved budget, which results in more efficient and improved services and better maintained assets.

CONTACT

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

SIGNATURE

Vickery Bowles
City Librarian

ATTACHMENTS

- Attachment 1: 2019-2028 Capital Budget and Plan Submission – Project funding request meeting Debt Targets
- Attachment 2: 2019-2028 Capital Budget and Plan Submission – Project funding request which exceeds Debt Targets
- Attachment 3: 2019-2028 Capital Budget and Plan Submission – Funding Sources & Operating Impacts

TORONTO PUBLIC LIBRARY

2019 - 2028 Capital Budget and Plan - Gross and Debt Funding

Project Funding Meeting Debt Targets

(\$millions)

Attachment 1

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE		
PROJECT NAME	PROJECT INFORMATION					GROSS													TOTAL 2019 - 2028	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	TOTAL 2019- 2028		
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		
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		
Multi-Branch Renovation Program (SOGR)	55.614	4.950	-	-	50.664	5.712	4.470	3.919	6.834	7.073	28.008	7.234	5.093	5.093	5.093	5.093	27.606	55.614	5.161	4.079	3.886	5.998	6.510	25.634	6.427	4.714	4.633	4.635	4.621	25.030	50.664		
Expansion of Technological Efficiencies	1.600	0.069	-	-	1.531	0.650	-	-	-	-	0.650	-	-	-	-	-	-	0.650	0.650	0.650	-	-	-	0.650	-	-	-	-	-	-	-	0.650	
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	
Bayview-Bessarion	15.322	8.169	-	0.580	6.573	4.067	5.782	4.702	-	-	14.551	-	-	-	-	-	-	14.551	1.187	2.608	2.587	-	-	6.382	-	-	-	-	-	-	-	6.382	
Wychwood	15.796	10.004	1.500	1.400	2.892	5.206	6.290	-	-	-	11.496	-	-	-	-	-	-	11.496	0.409	1.376	-	-	-	1.785	-	-	-	-	-	-	-	1.785	
North York Central Phase 2	12.118	2.218	-	-	9.900	5.601	3.853	-	-	-	9.454	-	-	-	-	-	-	9.454	5.601	1.635	-	-	-	7.236	-	-	-	-	-	-	-	7.236	
Dawes Road	23.624	12.685	-	8.400	2.539	0.322	2.208	6.867	5.786	3.658	18.841	-	-	-	-	-	-	18.841	-	-	1.213	0.999	-	2.212	-	-	-	-	-	-	-	2.212	
St. Clair/Silverthorn	3.815	0.748	-	-	3.067	0.500	-	-	-	-	0.500	-	-	-	-	-	-	0.500	0.320	-	-	-	-	0.320	-	-	-	-	-	-	-	0.320	
Albert Campbell	15.539	3.453	-	-	12.086	3.000	6.228	5.746	-	-	14.974	-	-	-	-	-	-	14.974	3.000	5.261	3.388	-	-	11.649	-	-	-	-	-	-	-	11.649	
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	
York Woods	10.158	2.399	-	-	7.759	2.538	3.798	1.752	-	-	8.088	-	-	-	-	-	-	8.088	1.892	3.008	0.789	-	-	5.689	-	-	-	-	-	-	-	5.689	
Guildwood	1.183	0.439	-	0.100	0.644	0.591	-	-	-	-	0.591	-	-	-	-	-	-	0.591	0.096	-	-	-	-	0.096	-	-	-	-	-	-	-	0.096	
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	
Perth/Dupont - 299 Campbell Avenue	4.405	2.250	1.055	1.100	-	-	3.373	0.952	-	-	4.325	-	-	-	-	-	-	4.325	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
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	
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		
City Hall	15.968	12.332	-	-	3.636	-	-	0.258	0.266	0.274	0.798	2.135	3.958	4.899	4.178	-	15.170	15.968	-	-	-	-	0.080	0.080	1.361	0.304	0.794	1.097	-	3.556	3.636		
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		
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		
Agincourt	1.375	-	1.375	-	-	-	-	-	-	1.375	1.375	-	-	-	-	-	-	1.375	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bridlewood	1.900	-	1.900	-	-	-	-	-	-	1.102	1.102	0.798	-	-	-	-	0.798	1.900	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sanderson	11.083	2.512	-	-	8.571	-	-	-	-	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		
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		
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		
Port Lands New Construction	21.597	19.438	-	-	2.159	-	-	-	-	-	-	-	-	-	-	0.531	0.823	0.823	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Budget Meeting Debt Targets	382.368	143.436	5.830	25.360	207.742	34.786	43.477	37.478	29.398	28.992	174.131	19.266	28.808	33.302	30.175	30.227	141.778	315.909	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
2019 - 2028 Capital Budget and Plan - Gross and Debt Funding
Project Funding Exceeding Debt Targets
(\$millions)

Attachment 2

A						B						C						D						E						F						G						H						I						J						K						L						M						N						O						P						Q						R						S						T						U						V						W						X						Y						Z						AA						AB						AC						AD						AE					
PROJECT NAME						PROJECT INFORMATION						GROSS												TOTAL 2019 - 2028	DEBT												TOTAL 2019- 2028																																																																																																																																																				
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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																																																																																																																																																					
Other Multi-Branch Minor SOGR projects						9.471	0.853	-	-	8.618	-	-	1.440	1.698	3.522	6.660	0.174	0.099	0.289	0.549	1.700	2.811	9.471	-	-	1.310	1.545	3.205	6.060	0.158	0.090	0.263	0.500	1.547	2.558	8.618																																																																																																																																																					
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																																																																																																																																																					
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																																																																																																																																																					
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																																																																																																																																																					
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																																																																																																																																																					
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																																																																																																																																																					
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						171.612	81.079	-	-	90.533	0.156	1.708	4.011	7.324	22.130	35.329	29.808	26.258	28.405	19.621	17.541	121.633	156.962	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																																																																																																																																																					

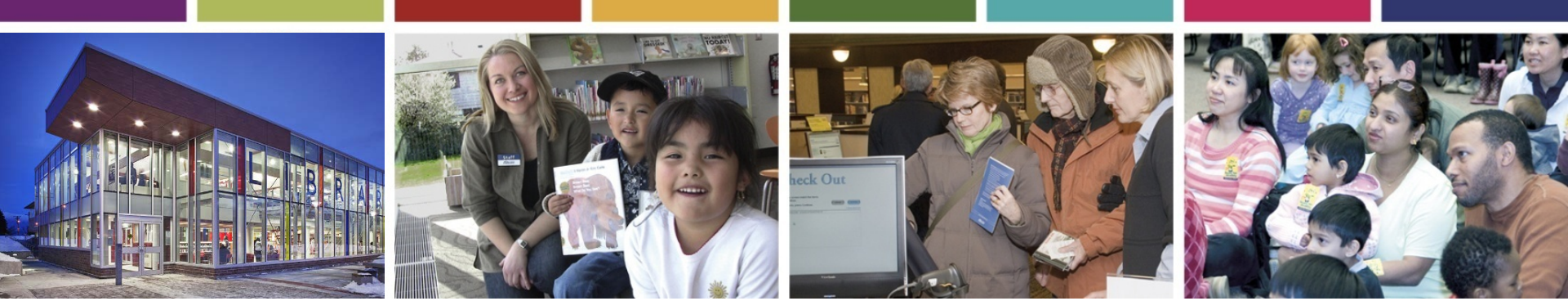
TORONTO PUBLIC LIBRARY

2019 - 2028 Capital Budget and Plan - Sources of Funding & Operating Impacts

(\$ millions)

Attachment 3

	2019	2020	2021	2022	2023	TOTAL 2019- 2023	2024	2025	2026	2027	2028	TOTAL 2024- 2028	Total 2019- 2028	
Meeting Debt Target	34.786	43.477	37.478	29.398	28.992	174.131	19.266	28.808	33.302	30.175	30.227	141.778	315.909	
Exceeding Debt Target	0.156	1.708	4.011	7.324	22.130	35.329	29.808	26.258	28.405	19.621	17.541	121.633	156.962	
Total Gross	34.942	45.185	41.489	36.722	51.122	209.460	49.074	55.066	61.707	49.796	47.768	263.411	472.871	
Non-Debt Sources of Fundng														%
Development Charges	9.690	18.902	16.238	8.946	19.252	73.028	21.492	27.520	33.376	20.656	17.796	120.840	193.868	41.0%
Contribution from Operating	1.778	1.778	1.778	1.778	1.778	8.890	1.378	1.378	1.378	1.378	1.378	6.890	15.780	3.3%
Section 37 Funding	1.015	0.832	0.223	-	2.477	4.547	0.798	-	-	-	-	0.798	5.345	1.1%
City Reserve	-	1.100	-	-	-	1.100	-	-	-	-	-	-	1.100	0.2%
Other External	0.544	-	-	2.051	2.949	5.544	-	-	-	-	-	-	5.544	1.2%
Total Non-Debt Sources of Funding	13.027	22.612	18.239	12.775	26.456	93.109	23.668	28.898	34.754	22.034	19.174	128.528	221.637	46.9%
Total Debt	21.915	22.573	23.250	23.947	24.666	116.351	25.406	26.168	26.953	27.762	28.594	134.883	251.234	53.1%
Total Gross	34.942	45.185	41.489	36.722	51.122	209.460	49.074	55.066	61.707	49.796	47.768	263.411	472.871	100.0%
Incremental Operating Impacts	(0.415)	0.102	0.902	-	0.763	1.352	-	-	3.966	0.347	0.509	4.822	6.174	
FTE	(4.5)	-	9.2	-	4.0	8.7	-	-	34.5	2.0	2.0	38.5	47.2	



Toronto Public Library

2019-2028 Capital Budget and Plan Submission

Board Meeting

September 24, 2018



2019-2028 Capital Budget and Plan Submission

- Planning Framework
- Budget Drivers and Constraints
- Debt Targets
- 2019 -2028 Capital Budget and Plan Submission
- SOGR Backlog
- 2019 Budget Timeline

North York Central Library



Development of capital program guided by:

Service Delivery Model – Four Tiers of Service

Branch Development Strategy

Technology Infrastructure

SOGR Backlog

TOcore / Population Growth

TPL Facilities Master Plan

City Planning Studies / Shared Used Facilities

Budget Drivers and Constraints

Drivers

SOGR backlog

AODA

Council Priorities

City-Wide Real Estate Program

Shared Used Facilities

TOcore/Population Growth

New Technologies

Budget Drivers and Constraints

Drivers

SOGR backlog

AODA

Council Priorities

City-Wide Real Estate Program

Shared Used Facilities

TOcore/Population Growth

New Technologies

Constraints

Inadequate Debt Targets

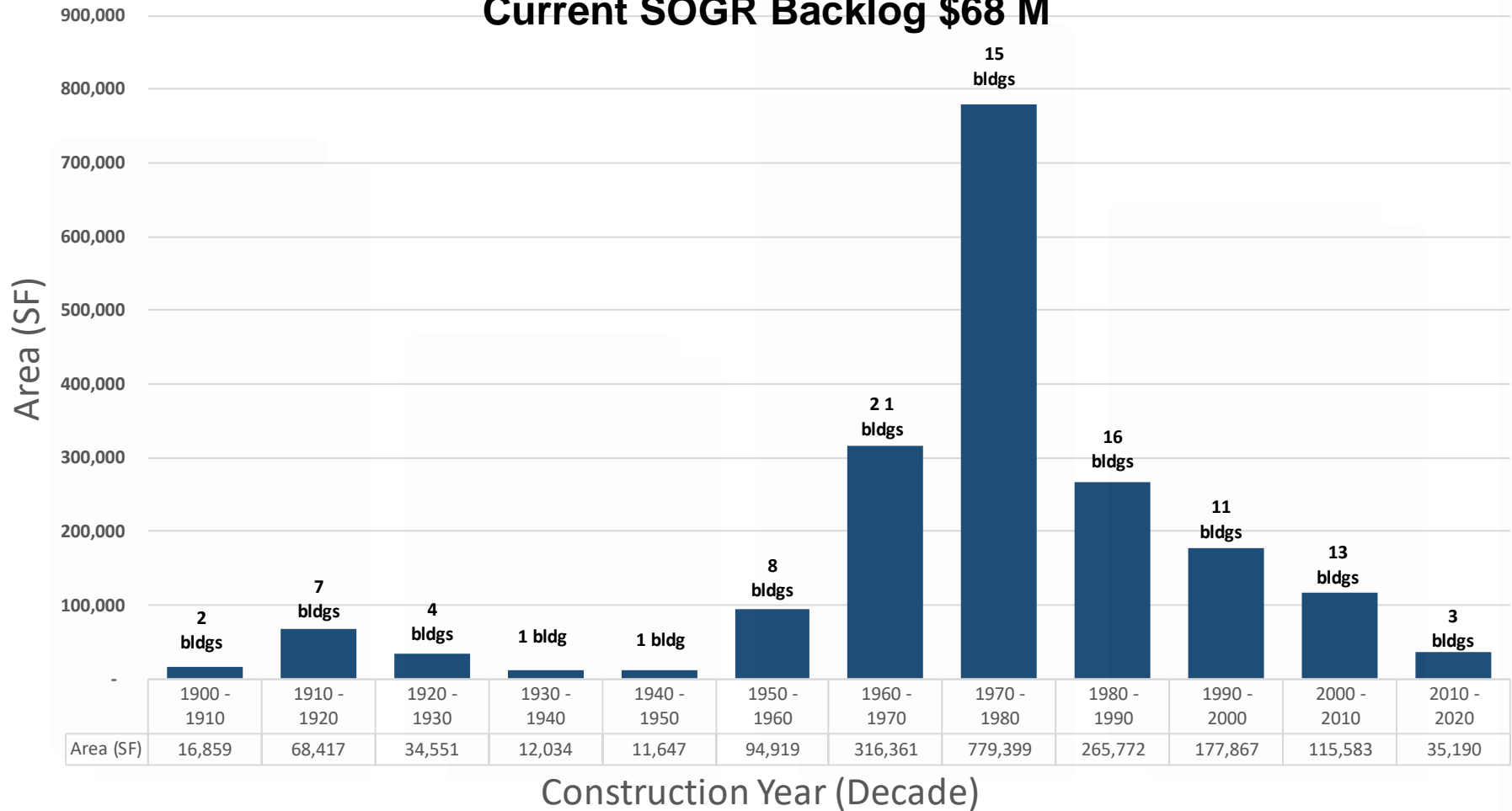
Rising Construction Costs

Manage and Reduce Operating Costs

City Planning Approvals

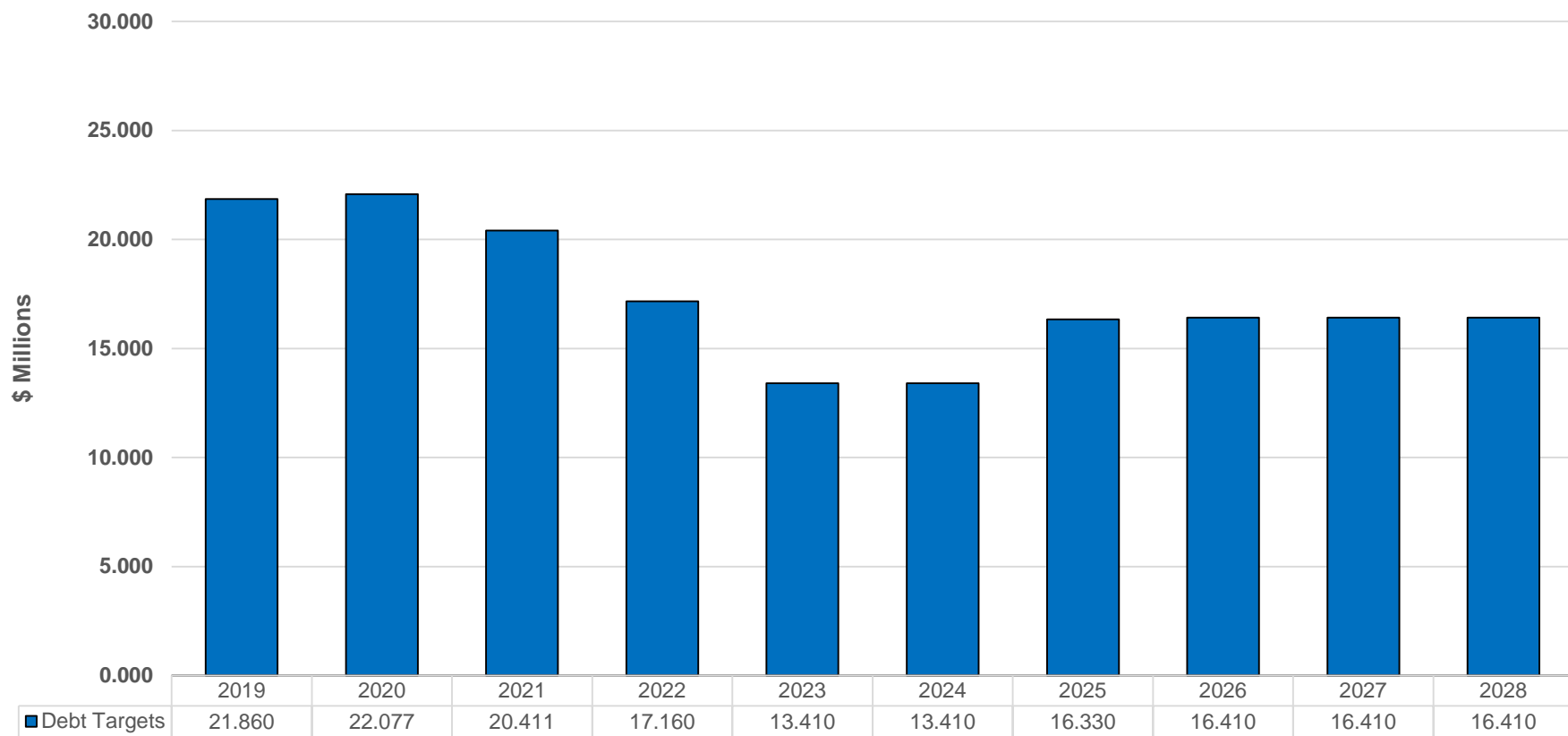
Building Age Profile

Current SOGR Backlog \$68 M



2019 – 2028 Debt Targets

City Debt Target (\$ millions)

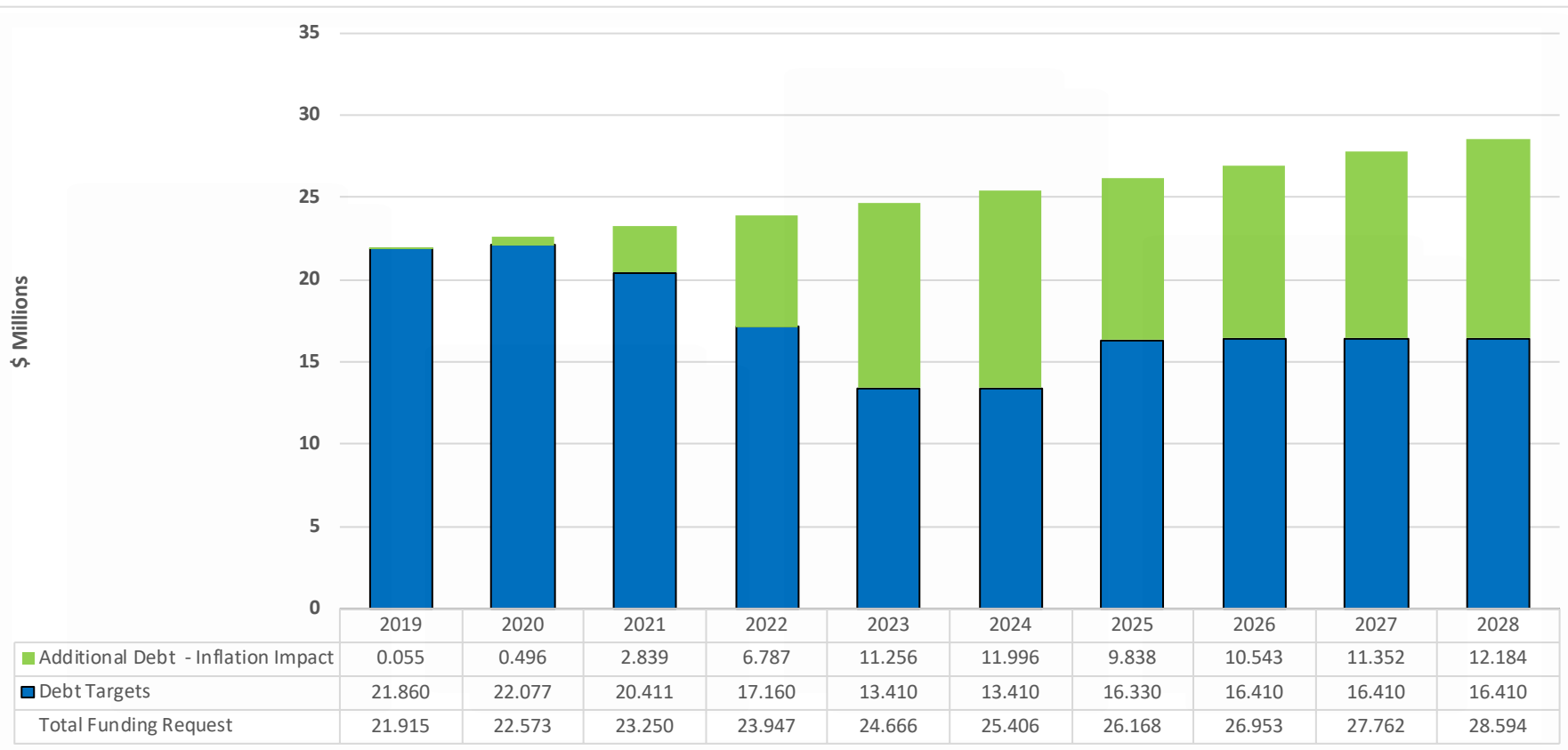


2019 – 2028 Debt Targets

Total Debt Funding Request \$251.235 M

City Debt Target + \$77.3M Additional Debt Funding

(\$ millions)



2019 – 2028 Capital Budget and Plan Submission

Summary (\$millions)

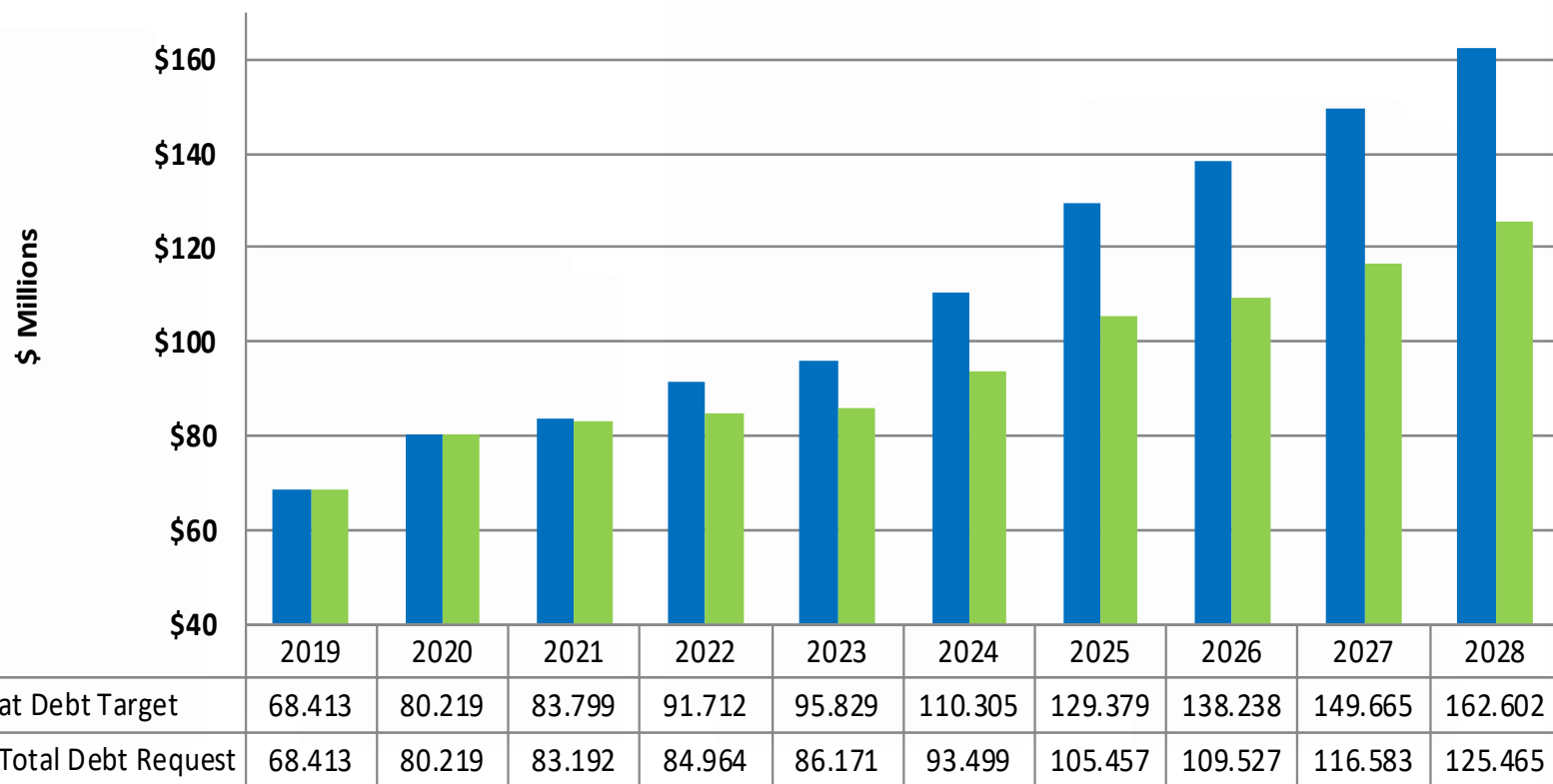
	2019		2019-2028	
	Gross	Debt	Gross	Debt
Funding Meeting Debt Target	\$34.786	\$21.860	\$315.909	\$173.888
Funding Exceeding Debt Target	\$0.156	\$0.055	\$156.962	\$77.346
Total Budget	<u>\$34.942</u>	<u>\$21.915</u>	<u>\$472.871</u>	<u>\$251.234</u>

SOG R Backlog meeting debt target = \$162 million by 2028

SOG R backlog total budget = \$125M by 2028

State of Good Repair Backlog

**Accumulated SOGR Backlog -
Debt Target vs. Total Debt Request (\$millions)**



Capital Funding Sources

2019-2028 Capital Funding Sources (\$M)	Meet Debt Target	Exceed Debt Target	Total	%
Debt	\$173.888	\$77.347	\$251.235	53.1%
Development Charges	114.252	79.615	193.867	41.0%
Contribution from Operating	15.780	-	15.780	3.3%
Section 37 funding	5.345	-	5.345	1.1%
City Reserves	1.100	-	1.100	0.2%
Other funding	5.544	-	5.544	1.2%
Gross Capital Budget	\$315.909	\$156.962	\$472.871	100%

- **Oct 10 – City Manager Briefing**
- **Oct 11-17 – City Manager/CFO Review**
- **Oct 29 – TPL Board Meeting**
- **Nov 19 – TPL Board Meeting**
- **Dec 10 – TPL Board Meeting**
- **January 2019 – Budget Committee – Budget Launch**
- **TBD:**
 - Budget Committee Review
 - Executive Committee Review
 - City Council Approval
 - Board Adoption of Council Approved Budget