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To: Toronto Public Library Board – September 18, 2006

From: City Librarian

Subject: **2007 – 2011 Capital Budget and Plan Submission**

Purpose:

To obtain Toronto Public Library Board approval for the 2007 – 2011 Capital Budget and Plan Submission.

Funding Implications and Impact Statement:

The capital submission requests funding approval of \$10 million debt (\$15.1 million gross) in 2007 and \$38.9 million debt (\$59.0 million gross) over 2007 - 2011 for *Previously Approved Projects, New Projects and Scope Changes*.

Funding for *Future Year Projects* which begin after 2007, totals \$11.1 million debt (\$29.4 million gross) over 2008 - 2011; no approval or commitment for these projects is being sought at this time.

The capital budget and plan is comprised of gross funding and City debt funding, with the difference being funding from non-debt sources such as development charges and other reserves.

Recommendation:

It is recommended that the Toronto Public Library Board approve the *2007 – 2011 Capital Budget and Plan Submission*, which has been provided to the City for discussion and consideration.

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.”

The Library's 2007 - 2011 Capital Budget and Plan requirements are included in this report

Comments:

A complete listing of all projects in the capital budget submission is included in the attached transmittal letter dated August 21, 2006 and addressed to Josie LaVita, Director of Financial Planning at the City. A summary of the Library's 2007 - 2011 capital budget request is shown below.

2007 - 2011 Capital Budget and Plan Summary
(\$000's)

	G R O S S					
	2007	2008	2009	2010	2011	Total 2007- 2011
Total Gross Capital Budget and Plan	15,088	17,000	18,115	17,763	20,408	88,374
	D E B T					
	2007	2008	2009	2010	2011	Total 2007- 2011
Previously Approved Projects	4,236	5,623	1,145	250		11,254
New Projects & Scope Changes	5,764	4,280	8,855	6,054	2,679	27,632
	10,000	9,903	10,000	6,304	2,679	38,886
Future Year Projects		97		3,696	7,321	11,114
City Debt Funding Request	10,000	10,000	10,000	10,000	10,000	50,000
City Funding Target	10,000	10,000	10,000	10,000	9,600	49,600

For the first four years, 2007 to 2010, the funding request of \$10 million debt annually meets the assigned City target. In 2011, the debt target has been reduced to \$9.6 million while TPL's debt request remains at \$10 million, \$0.4 million over target. In addition to debt funding, the City has also committed to fund \$1 million each year from an information technology reserve for TPL's Technology Asset Management Program.

Previously Approved Projects, New Projects and Scope Changes, for which the Library is seeking funding approval and commitment, total \$10 million debt (\$15.1 million gross) in 2007 and \$38.9 million debt (\$59.0 million gross) over 2007 - 2011. *Future Year Projects*, which begin after 2007, total \$11.1 million debt (\$29.4 million gross) over 2008-2011; no approval or commitment for these projects is being sought at this time. *Scope Changes* relate to projects which have been previously approved and which require a change to the overall project cost to reflect current estimates.

Appendix 1 of the attached transmittal letter lists gross and debt-funded cash flows of each project included in the capital budget and plan. Appendix 2 describes the status of *Previously Approved Projects* and Appendix 3 describes the *New Projects* which begin in 2007.

A presentation of the 2007 - 2011 Capital Budget and Plan will be made at the Board meeting to provide Board members with an expanded explanation of the 2007 - 2011 Capital Budget and Plan.

Conclusion:

While there are on-going challenges, the Library has made significant progress towards establishing an adequate capital program. The 2007-2011 Capital Budget and Plan as submitted provides TPL with flexibility to respond to project delays by accelerating other projects and should result in a greater ability to manage and control the level of expenditure. A five-year approved capital budget and plan will improve long-term capital planning.

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City Librarian

Attachment:

Attachment 1: Transmittal Letter – Toronto Public Library 2007 - 2011 Capital Budget and Plan