

## 2020-2029 Capital Budget and Plan - Update

<b>Date:</b>	January 27, 2020
<b>To:</b>	Toronto Public Library Board
<b>From:</b>	City Librarian

### SUMMARY

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The purpose of this report is to update the Toronto Public Library (TPL) Board on the City staff-recommended 2020-2029 capital budget and plan (Recommended Capital Plan). The Recommended Capital Plan (Attachment 1) is funded by \$23.421 million debt (\$37.459 million gross) for 2020 and \$317.999 million debt (\$416.414 million gross) over 2020-2029, and represents a significant increase of \$100.090 million or 32% over the prior year 10-year plan.

The Recommended Capital Plan is \$14.428 million debt (\$17.735 million gross) less than the Board requested funding, primarily related to the funding for the construction phase of the Lillian H. Smith Library project, which is not being recommended and is now included in the list of Capital Needs Constraints (Attachment 2). The design phase of the Lillian H. Smith Library project is included in the Recommended Capital Plan. The five projects that now comprise the Capital Needs Constraints are not included in the Recommended Capital Plan and therefore remain unfunded.

The 2020 budget process was launched by Budget Committee on January 10, 2020 when the Recommended Budgets were introduced. Following the review process, City Council is scheduled to approve the 2020 budgets on February 19, 2020. The Council-approved budget will be presented to the Board for adoption at its February 24, 2020 meeting.

## FINANCIAL IMPACT

The City staff-recommended 2020-2029 capital budget and plan is funded by \$23.421 million debt (\$37.459 million gross) for 2020 and \$317.999 million debt (\$416.414 million gross) over 2020-2029, which is \$14.428 million debt (\$17.735 million gross) lower than the Board requested 2020-2029 Capital Budget and Plan. The difference between the Board request and Recommended Capital Plan primarily relates to the funding for the construction phase of the Lillian H. Smith Library project of \$14.027 million debt (\$17.735 million gross), which is not being recommended and has been moved to the list of Capital Needs Constraints, as reflected in Table 1 below.

**Table 1: 2020-2029 Capital Budget and Plan**  
Summary (\$ Millions)

	Board Request		City Staff Recommended		Difference		
					Funding		
	Gross	Debt	Gross	Debt	Not Recommended	Debt	Source Change Debt to DC <sup>1</sup>
Capacity to Spend Capital Budget and Plan	434.149	332.427	416.414	317.999	17.735	14.027	0.401
Capital Needs Constraints	93.809	93.809	-	-	93.809	93.809	-
<b>Total Budget and Plan</b>	<b>527.958</b>	<b>426.236</b>	<b>416.414</b>	<b>317.999</b>	<b>111.544</b>	<b>107.836</b>	<b>0.401</b>

<sup>1</sup> To assist the City in managing debt levels, a reduction in debt funding of \$0.401 million, offset by a corresponding increase in development charges, was made.

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

## DECISION HISTORY

### September 23, 2019 Board Meeting

The Library Board approved the [2020-2029 Capital Budget and Plan](#) submission of \$19.559 million debt (\$45.011 million gross) in 2020 and \$307.577 million debt (\$532.795 million gross) over 2020-2029.

### October 22, 2019 Board Meeting

The Library Board approved the revised [2020-2029 Capital Budget and Plan](#) submission of \$27.825 million debt (\$45.011 million gross) in 2020 and \$430.647 million debt (\$532.795 million gross) over 2020-2029. The revised submission was the result of City instructions to reduce the development charges (DC)/community benefits charges (CBC) funding by a 15% discount and replaced any DC/CBC revenue shortfalls with debt funding.

### November 25, 2019 Board Meeting

The Library Board approved the revised [2020-2029 Capital Budget and Plan](#) of \$24.465 million debt (\$38.503 million gross) for 2020 and \$426.236 million debt (\$527.958 million gross) over 2020-2029 as shown in Table 2 below. The revised plan is a result of

City Finance instruction to all City Divisions and Agencies to review the 10-year Capacity to Spend Capital Budget and Plan submission and conduct a “capital recast” exercise on the 2020 cash flows based on updated third quarter 2019 year-end projections. The Capital Needs Constraints list was also adjusted to reflect the re-costing of the Etobicoke Civic Centre New Construction capital project.

**Table 2: November 25, 2019 Board: Revised 2020 - 2029 Capital Budget and Plan (\$ millions)**

	2020			2020 - 2029		
		Debt	Non-Debt		Debt	Non-Debt
	Gross	Funding	Funding	Gross	Funding	Funding
Capacity to Spend Capital Budget and Plan	\$ 37.459	\$ 23.421	\$ 14.038	\$ 434.149	\$332.427	\$ 101.722
Capital Needs Constraints	\$ 1.044	\$ 1.044	\$ -	\$ 93.809	\$ 93.809	\$ -
<b>Total Budget and Plan</b>	<b>\$ 38.503</b>	<b>\$ 24.465</b>	<b>\$ 14.038</b>	<b>\$ 527.958</b>	<b>\$426.236</b>	<b>\$ 101.722</b>

## COMMENTS

### City Staff Recommended 2020-2029 Capital Budget and Plan

The 2020 budget process was launched on January 10, 2020 when the City’s Budget Committee considered a City staff-recommended 2020–2029 capital budget and plan for TPL of \$317.999 million debt (\$416.414 million gross), which is comprised of all 30 capital projects in the Board’s Capacity to Spend Capital Budget and Plan request with the exception of the construction phase of the Lillian H. Smith Library project. The construction phase for the Lillian H. Smith Library project is not being recommended and has been moved to the Capital Needs Constraints to assist the City in managing its debt levels. The design phase of the Lillian H. Smith Library project is included in the City staff-recommended capital plan.

The 10-year recommended plan of \$416.414 million gross represents a significant increase of \$100.090 million or 32% over the prior year 10-year plan, which helps TPL to fund technology and building needs.

Details of the Recommended Capital Plan are shown on Attachment 1.

### State of Good Repair Backlog

Based on the Recommended Capital Plan, the State of Good Repair (SOGR) backlog, over the next 10 years, is expected to increase from \$103.139 million or 7.6% of total asset value at the end of 2019 to \$167.498 million or 12.0% of the total asset value at the end of 2029.

The last Building Condition Assessment (BCA) was conducted in 2014 and work is well underway to update that report. Based on the analysis recently done for the approved Facilities Master Plan, the actual SOGR backlog is likely much larger than the reported amounts.

## **Capital Needs Constraints**

None of the five projects, including the construction phase of the Lillian H. Smith Library project, which comprise the Capital Needs Constraints are being recommended. The total 2020-2029 Capital Needs Constraints is \$107.836 million debt (\$111.544 million gross). The five projects are shown on Attachment 2 and funding will need to be addressed in future budget submissions.

### Etobicoke Civic Centre Branch

City Council on December 17, 2019 reviewed the report entitled "[\*Relocation of the Etobicoke Civic Centre - Update and Next Steps\*](#)" authorizing CreateTO to proceed with Phase Three of the Major Capital Project Approval Process, including Detail Design, Contract Documents and Tender. CreateTO will report back to City Council in Q4 2021 on the results of the Phase Three work, including tendered cost estimates, proposed funding model, and final business case for the overall project with the recommended contract award.

### Parkdale Branch

City Council on December 17, 2019 reviewed the report entitled "[\*Parkdale Hub Project - Feasibility Study\*](#)" directing CreateTO to lead and collaborate with City Real Estate Management, Parks, Forestry and Recreation, Toronto Public Library, Housing Secretariat, and Toronto Parking Authority in Phase 2 of the Parkdale Hub feasibility study.

## **City Reviews and Next Steps**

Library staff presented TPL's budgets at the Budget Committee meeting on January 15, 2020.

The Executive Committee will meet on February 13, 2020 and City Council is scheduled to approve both the operating and capital budgets on February 19, 2020. Any significant changes to the Recommended Budgets made during this time will be communicated by Library staff to the TPL Board. The Council-approved budgets will be presented to the Board for adoption at its February 24, 2020 meeting.

## **CONCLUSION**

The Recommended Capital 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 meets 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**

Larry Hughsam; Director, Finance & Treasurer; Tel: 416-397-5946;  
Email: [lhughsam@tpl.ca](mailto:lhughsam@tpl.ca)

## **SIGNATURE**

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Vickery Bowles  
City Librarian

## **ATTACHMENTS**

- Attachment 1: City Staff Recommended 2020-2029 Capital Budget and Plan
- Attachment 2: 2020-2029 Capital Needs Constraints - Projects not included in the City Staff Recommended Capital Budget and Plan

**TORONTO PUBLIC LIBRARY**  
**City Staff Recommended 2020 - 2029 Capital Budget and Plan - Gross and Debt Funding**  
**(\$millions)**

	PROJECT INFORMATION					Gross										TOTAL 2020 - 2029 (incl cfwd \$6.605)	Debt										TOTAL 2020 - 2029 (incl cfwd \$4.155)		
	Cost Est.	Develop. Charges	S. 37/ 45/ Reserves	Other Funding	Debt	2020 (incl cfwd \$1.209)	2021 (incl cfwd \$3.075)	2022 (incl cfwd \$2.321)	2023	2024	2025	2026	2027	2028	2029		2020 (incl cfwd \$1.043)	2021 (incl cfwd \$1.794)	2022 (incl cfwd \$1.318)	2023	2024	2025	2026	2027	2028	2029			
<b>Technology Projects</b>																													
1	Tech Asset Mgmt Prg (TAMP)	62.634	2.535	-	13.780	46.319	5.124	5.151	5.492	6.429	6.780	6.754	7.793	6.214	6.369	6.528	62.634	3.323	3.722	3.754	4.665	5.020	5.326	6.010	4.786	4.563	5.150	46.319	
2	Service Modernization and Transformation	11.204	0.595	-	-	10.609	1.000	1.025	1.051	1.077	1.104	1.131	1.160	1.189	1.218	1.249	11.204	0.769	1.025	1.011	1.039	1.077	1.070	1.104	1.114	1.191	1.209	10.609	
3	Virtual Branch Services (VBS)	15.000	11.517	-	-	3.483	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	15.000	0.438	0.225	0.225	0.480	0.225	0.480	0.225	0.480	0.225	0.480	3.483	
4	Answerline & Community Space Rental Modernization	1.400	0.061	-	-	1.339	0.745	-	-	-	-	-	-	-	-	-	0.745	0.745	-	-	-	-	-	-	-	-	-	0.745	
5	Integrated Payment Solutions	2.250	0.098	-	-	2.152	0.133	-	-	-	-	-	-	-	-	-	0.133	0.133	-	-	-	-	-	-	-	-	-	0.133	
6	Expansion of Technological Efficiencies	1.600	0.069	-	-	1.531	0.165	-	-	-	-	-	-	-	-	-	0.165	0.165	-	-	-	-	-	-	-	-	-	0.165	
	<b>Total Technology Projects</b>	<b>94.088</b>	<b>14.875</b>	<b>-</b>	<b>13.780</b>	<b>65.433</b>	<b>8.667</b>	<b>7.676</b>	<b>8.043</b>	<b>9.006</b>	<b>9.384</b>	<b>9.385</b>	<b>10.453</b>	<b>8.903</b>	<b>9.087</b>	<b>9.277</b>	<b>89.881</b>	<b>5.573</b>	<b>4.972</b>	<b>4.990</b>	<b>6.184</b>	<b>6.322</b>	<b>6.876</b>	<b>7.339</b>	<b>6.380</b>	<b>5.979</b>	<b>6.839</b>	<b>61.454</b>	
<b>Building Projects</b>																													
7	Multi-Branch Renovation Program (SOG)	90.775	7.334	-	-	83.441	5.970	6.714	7.532	7.498	6.730	6.427	9.966	12.098	12.240	15.600	90.775	5.044	5.944	7.356	6.360	6.654	5.260	9.860	10.345	11.942	14.676	83.441	
8	Albert Campbell	17.939	1.276	-	-	16.663	3.928	6.038	5.963	-	-	-	-	-	-	-	15.929	3.587	6.038	5.156	-	-	-	-	-	-	-	-	14.781
9	Bayview-Bessarion	15.322	6.761	-	0.580	7.981	4.082	4.502	2.900	-	-	-	-	-	-	-	11.484	1.690	1.791	1.242	-	-	-	-	-	-	-	-	4.723
10	Centennial	11.483	3.438	-	-	8.045	0.166	1.500	4.150	5.499	-	-	-	-	-	-	11.315	-	0.725	2.281	4.872	-	-	-	-	-	-	-	7.878
11	Dawes Road	19.824	8.695	-	1.200	9.929	0.200	-	2.000	4.612	5.532	2.375	-	-	-	-	14.719	0.030	-	0.375	3.272	3.044	1.681	-	-	-	-	8.402	
12	Wychwood	15.796	7.558	1.500	1.400	5.338	3.790	3.281	2.503	-	-	-	-	-	-	-	9.574	1.084	0.239	1.123	-	-	-	-	-	-	-	2.446	
13	York Woods	11.758	1.714	-	-	10.044	3.359	3.880	2.000	-	-	-	-	-	-	-	9.239	2.720	3.268	1.551	-	-	-	-	-	-	-	7.539	
14	North York Central Phase 2	12.718	0.931	-	-	11.787	3.454	3.602	2.055	-	-	-	-	-	-	-	9.111	2.569	3.556	2.055	-	-	-	-	-	-	-	8.180	
15	Maryvale	2.714	1.345	-	0.822	0.547	1.648	1.066	-	-	-	-	-	-	-	-	2.714	-	0.547	-	-	-	-	-	-	-	-	0.547	
16	Northern District - Streetscaping	0.990	-	0.990	-	-	0.495	0.495	-	-	-	-	-	-	-	-	0.990	-	-	-	-	-	-	-	-	-	-	-	
17	Northern District	12.630	0.815	-	-	11.815	0.100	0.151	2.453	5.166	4.760	-	-	-	-	-	12.630	0.080	0.151	1.658	5.166	4.760	-	-	-	-	-	11.815	
18	TRL	20.000	1.025	-	-	18.975	1.500	2.250	2.250	2.000	2.000	2.000	2.000	2.000	2.000	2.000	20.000	1.044	2.250	2.219	1.915	1.980	1.872	1.962	1.850	1.982	1.901	18.975	
19	Mall Branch	6.119	2.360	-	-	3.759	0.100	3.562	2.457	-	-	-	-	-	-	-	6.119	-	2.502	1.257	-	-	-	-	-	-	-	3.759	
20	Weston	10.176	0.964	-	-	9.212	-	0.266	0.266	-	3.510	3.873	2.261	-	-	-	10.176	-	0.222	0.266	-	2.590	3.873	2.261	-	-	-	9.212	
21	Barbara Frum	18.273	1.447	-	-	16.826	-	0.486	0.487	4.090	6.328	6.882	-	-	-	-	18.273	-	0.411	0.487	3.016	6.030	6.882	-	-	-	-	16.826	
22	Richview	3.509	0.260	-	-	3.249	-	-	1.219	1.037	1.054	-	-	-	-	-	3.310	-	-	0.977	1.037	1.054	-	-	-	-	-	3.068	
23	High Park	9.188	0.950	-	-	8.238	-	-	0.242	0.243	-	1.964	3.973	2.766	-	-	9.188	-	-	0.208	0.243	-	1.200	3.821	2.766	-	-	8.238	
24	<b>Lillian H. Smith - Design *</b>	<b>0.783</b>	<b>0.382</b>	<b>-</b>	<b>-</b>	<b>0.401</b>	<b>-</b>	<b>-</b>	<b>0.391</b>	<b>0.392</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.783</b>	<b>-</b>	<b>-</b>	<b>0.091</b>	<b>0.310</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.401</b>	
25	Parliament Street	19.491	6.117	-	-	13.374	-	-	0.293	0.603	-	-	3.590	5.381	5.525	4.099	19.491	-	-	0.069	0.468	-	-	0.220	4.459	4.866	3.292	13.374	
26	Sanderson	14.282	1.656	-	-	12.626	-	-	0.380	0.381	-	4.859	5.934	2.728	-	-	14.282	-	-	0.328	0.381	-	3.255	5.934	2.728	-	-	12.626	
27	Perth / Dupont - 299 Campbell Avenue	4.816	1.073	1.055	1.100	1.588	-	-	-	1.157	3.619	-	-	-	-	-	4.776	-	-	-	0.853	0.735	-	-	-	-	-	1.588	
28	St.Lawrence	29.360	14.948	-	-	14.412	-	-	-	0.667	0.669	-	-	5.460	6.454	8.174	21.424	-	-	-	0.492	0.404	-	-	2.893	3.809	3.339	10.937	
29	Mimico Centennial	16.427	1.912	-	-	14.515	-	-	-	-	-	0.424	0.426	-	4.105	4.212	9.167	-	-	-	-	-	0.394	0.426	-	2.269	4.166	7.255	
30	Port Lands New Construction	21.597	19.010	-	-	2.587	-	-	-	-	-	-	-	-	-	0.531	0.533	1.064	-	-	-	-	-	-	-	0.293	0.241	0.534	
	<b>Total Building Projects</b>	<b>385.970</b>	<b>91.971</b>	<b>3.545</b>	<b>5.102</b>	<b>285.352</b>	<b>28.792</b>	<b>37.793</b>	<b>39.541</b>	<b>33.345</b>	<b>34.202</b>	<b>28.804</b>	<b>28.150</b>	<b>30.433</b>	<b>30.855</b>	<b>34.618</b>	<b>326.533</b>	<b>17.848</b>	<b>27.644</b>	<b>28.699</b>	<b>28.385</b>	<b>27.251</b>	<b>24.417</b>	<b>24.484</b>	<b>25.041</b>	<b>25.161</b>	<b>27.615</b>	<b>256.545</b>	
31	<b>City Staff Recommended Capital Budget &amp; Plan</b>	<b>480.058</b>	<b>106.846</b>	<b>3.545</b>	<b>18.882</b>	<b>350.785</b>	<b>37.459</b>	<b>45.469</b>	<b>47.584</b>	<b>42.351</b>	<b>43.586</b>	<b>38.189</b>	<b>38.603</b>	<b>39.336</b>	<b>39.942</b>	<b>43.895</b>	<b>416.414</b>	<b>23.421</b>	<b>32.616</b>	<b>33.689</b>	<b>34.569</b>	<b>33.573</b>	<b>31.293</b>	<b>31.823</b>	<b>31.421</b>	<b>31.140</b>	<b>34.454</b>	<b>317.999</b>	

\* Construction phase of this project is moved to Capital Needs Constraints

**TORONTO PUBLIC LIBRARY**  
**2020-2029 Capital Needs Constraints - Projects not included in City Staff Recommended Capital Budget and Plan - Gross and Debt Funding**  
(\$millions)

	PROJECT INFORMATION					GROSS										TOTAL 2020 - 2029	DEBT										TOTAL 2020- 2029
	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	
PROJECT NAME	Cost Est.	Develop. Charges	S. 37/ 45/ Reserves	Other Funding	Debt	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	
1 Danforth/Coxwell Relocation and Expansion	16.249	-	-	-	16.249	0.419	0.420	-	5.176	4.931	3.734	1.569	-	-	-	<b>16.249</b>	0.419	0.420	-	5.176	4.931	3.734	1.569	-	-	-	<b>16.249</b>
2 Etobicoke Civic Centre New Construction	26.977	-	-	-	26.977	0.625	0.626	-	6.041	6.509	7.223	5.953	-	-	-	<b>26.977</b>	0.625	0.626	-	6.041	6.509	7.223	5.953	-	-	-	<b>26.977</b>
3 City Hall Relocation and Expansion	15.878	-	-	-	15.878	-	-	0.266	0.273	2.225	4.051	4.899	4.164	-	-	<b>15.878</b>	-	-	0.266	0.273	2.225	4.051	4.899	4.164	-	-	<b>15.878</b>
4 Parkdale Relocation and Expansion	34.705	-	-	-	34.705	-	-	0.100	0.100	0.100	6.385	6.457	11.879	9.684	-	<b>34.705</b>	-	-	0.100	0.100	0.100	6.385	6.457	11.879	9.684	-	<b>34.705</b>
5 Lillian H. Smith Renovation and Expansion - Construction *	17.735	3.708	-	-	14.027	-	-	-	-	-	4.507	4.879	4.593	3.756	-	<b>17.735</b>	-	-	-	-	-	3.539	3.370	3.770	3.348	-	<b>14.027</b>
<b>Total Capital Needs Constraints</b>	<b>111.544</b>	<b>3.708</b>	-	-	<b>107.836</b>	<b>1.044</b>	<b>1.046</b>	<b>0.366</b>	<b>11.590</b>	<b>13.765</b>	<b>25.900</b>	<b>23.757</b>	<b>20.636</b>	<b>13.440</b>	-	<b>111.544</b>	<b>1.044</b>	<b>1.046</b>	<b>0.366</b>	<b>11.590</b>	<b>13.765</b>	<b>24.932</b>	<b>22.248</b>	<b>19.813</b>	<b>13.032</b>	-	<b>107.836</b>

\* Design phase of this project is included in the City Staff Recommended Capital Plan