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STAFF REPORT INFORMATION ONLY

2024-2033 Capital Budget and Plan - Status Update

Date: September 18, 2023

To: Toronto Public Library Board

From: City Librarian

SUMMARY

The purpose of this report is to provide the Toronto Public Library Board (the Board) with an update on the status of the 2024-2033 capital budget and plan submission (2024 Capital Submission). The 2024 Capital Submission will be developed in accordance to the City's 2024-2033 budget instructions and will be informed by Toronto Public Library's (TPL) planning framework for developing the capital program for library buildings.

The 2024-2033 capital budget and plan submission is expected to be presented for Board consideration at its meeting on October 30, 2023.

FINANCIAL IMPACT

This report describes a number of factors that may impact the development of the 2024 Capital Submission. Efforts will be made to keep debt funding consistent with the prior year's 10-year capital plan in order to conform with City of Toronto budget instructions.

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

ALIGNMENT WITH STRATEGIC PLAN

The 2024 Capital Submission will support TPL's strategic plan objectives, in particular: provide quality, accessible & inclusive public spaces; increase access to technology & digital literacy; and deliver exceptional customer experiences.

EQUITY IMPACT STATEMENT

The 2024 Capital Submission will be informed by the principles of equity and access and advances the work required under the Accessibility for Ontarians with Disabilities Act (AODA).

COMMENTS

On August 1, 2023 the City provided technical instructions to all City Divisions, Agencies and Corporations to assist in the preparation of 2024 budget submissions. On August 28, 2023, the City released the supplemental budget instructions to all City Corporations and Agencies, including TPL, which provided additional guidance. While a specific debt target has not been assigned, development of the 2024 Capital Submission, and more specifically annual cash flow requirements from 2024 to 2026, will need to address project readiness to proceed and capacity to spend, factoring recent capital delivery challenges experienced and budget spend rates.

Changes to Capital Program

The starting point for the 2024 Capital Submission is the approved [2023-2032 Capital Budget and Plan](#). All projects in the approved plan are being analyzed to ensure that any changes in costing, timing, scope, affordability or priority are properly reflected in the 2024 Capital Submission. The following list provides a brief explanation of the more significant changes from the 2023-2032 capital budget and plan that are already known and that will be reflected in the budget submission to be presented to the Board in October:

Timing Changes

A number of projects have adjusted or extended timelines based on current information. These include: Etobicoke Civic Centre, 299 Campbell Ave, Pleasant View, Richview Building Elements, Parkdale, Lillian H. Smith, St. Lawrence, Sanderson, and Parliament.

TPL's Facilities Master Plan (FMP)

TPL's FMP provides a framework and a roadmap for branch capital investments. The updated FMP, which has impacted capital priority scores and branch rankings, will be taken into consideration as the 2024 Capital Submission is being developed.

Development Charges funding

The [Development Charges By-Law](#) and rates for collecting development charges (DC) was approved by Council on July 19, 2022. DC funding continues to be a significant funding source in the development of the 2024 Capital Submission and TPL intends to continue to maximize the available DC funding in the 10-year capital plan.

The [Province's Bill 23, More Homes Built Faster Act](#), which passed on November 28, 2022, froze, reduced or exempted developers from paying development fees municipalities charge them for some types of housing as well as some rental units. The City of Toronto estimated it will lose approximately \$230 million a year in development charges, community benefits charges and parkland levies as a result of the changes in Bill 23.

On July 26, 2023, the Ontario government selected accounting firm Ernst & Young LLP to audit the City of Toronto and five other municipalities to assess the impact of the changes in Bill 23, the More Homes Built Faster Act. The provincial audits are expected to present findings sometime in 2024.

City Debt Funding and Affordability

TPL's 10-year capital plan is primarily funded by debt. The City has a maximum threshold for debt servicing costs and the recent significant rise in interest rates puts pressure on available City debt funding for the capital budget. To conform with City budget instructions, efforts will be made to keep debt funding consistent with the prior year's 10-year capital plan and this may necessitate some projects being re-prioritized or moved to an unfunded status.

Timetable

The 2024-2033 capital budget and plan submission will be presented for Board consideration at its meeting on October 30, 2023.

Activity	Schedule
Board Meeting - 2024 Budget Submissions	October 30, 2023
Administrative Review - City Finance	October 2023
Informal Budget Committee Review	November 2023
Board Meeting - 2024 Budget Updates	December 4, 2023
Budget Launch - Budget Committee	January 2024
Board Meeting - 2024 Budget Updates	January 2024
Budget Committee Review Meetings	January 2024
Board Meeting - 2024 Budget Updates	February 2024
Executive Committee	February 2024
City Council	February 2024
Board Meeting - Adoption of 2024 Budgets	March 2024

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SIGNATURE

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