

**2018-2027 Capital Budget and Plan Adoption**

<b>Date:</b>	February 26, 2018
<b>To:</b>	Toronto Public Library Board
<b>From:</b>	City Librarian

**SUMMARY**

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The purpose of this report is to seek Toronto Public Library (TPL) Board adoption of the Council-approved 2018-2027 capital budget and plan of \$22.777 million debt (\$28.838 million gross) for 2018, \$181.469 million debt (\$271.820 million gross) over 2018-2027 and additional carry-forward funding of \$1.214 million debt (\$5.490 million gross) in 2018. The capital budget and plan includes \$1.500 million gross and debt of additional funding beyond the debt target in 2018. In each of the past three years, the approved capital funding has been above the debt target.

**RECOMMENDATIONS**

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**The City Librarian recommends that the Toronto Public Library Board:**

1. adopts the 2018-2027 capital budget and plan of \$181.469 million debt (\$271.820 million gross) for projects listed in Attachment 1, with funding comprised of:
  - a. 2018 cash flow of \$22.777 million debt (\$28.838 million gross) with future year commitments of \$21.610 million debt (\$35.967 million gross) for 2019; \$17.634 million debt (\$21.164 million gross) for 2020, \$6.948 million debt (\$10.769 million gross) for 2021 and \$2.520 million debt (\$4.347 million gross) for 2022;
  - b. 2019-2027 uncommitted capital plan totalling \$108.766 million debt (\$165.245 million gross); and
  - c. preliminary carry-forward funding from 2017 into 2018 of \$1.214 million debt (\$5.490 million gross).

## FINANCIAL IMPACT

TPL’s approved 2018-2027 capital budget and plan, excluding carry-forward funding of \$1.214 million debt (\$5.490 million gross), consists of a 2018 cash flow of \$22.777 million debt (\$28.838 million gross) and total 2018-2027 cash flows of \$180.255 million debt (\$266.330 million gross), which includes \$1.500 million of additional debt funding beyond the City debt target in 2018 to address the State of Good Repair (SOGR) backlog at multiple branches.

The Council-approved budget is comprised of three components: 2018 cash flow projects with future year commitments, 2019-2027 uncommitted capital projects and 2018 cash flow carry forward from 2017. The following table summarizes these components of the budget and plan:

2018-2027 Approved Capital Budget and Plan (\$ millions)

	2017 Carry Forward	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total 2018-2027 (Excl. Carry Forward)
<b>Gross</b>												
2018 Projects with future year commitments	5.490	28.838	35.967	21.164	10.769	4.347						101.085
Future Year Projects (Commencing in 2019 & Beyond) - uncommitted		-	0.250	12.059	19.537	19.657	21.757	20.955	22.785	24.572	23.673	165.245
<b>Total Gross</b>	<b>5.490</b>	<b>28.838</b>	<b>36.217</b>	<b>33.223</b>	<b>30.306</b>	<b>24.004</b>	<b>21.757</b>	<b>20.955</b>	<b>22.785</b>	<b>24.572</b>	<b>23.673</b>	<b>266.330</b>
<b>Debt</b>												
2018 Projects with future year commitments	1.214	22.777	21.610	17.634	6.948	2.520						71.489
Future Year Projects (Commencing in 2019 & Beyond) - uncommitted			0.250	4.443	13.463	14.640	13.410	13.410	16.330	16.410	16.410	108.766
<b>Total Debt</b>	<b>1.214</b>	<b>22.777</b>	<b>21.860</b>	<b>22.077</b>	<b>20.411</b>	<b>17.160</b>	<b>13.410</b>	<b>13.410</b>	<b>16.330</b>	<b>16.410</b>	<b>16.410</b>	<b>180.255</b>

The 2018-2027 capital budget and plan will impact future year operating budgets by: net operating savings of \$0.495 million in 2018 and \$0.455 million in 2019; and net operating costs of \$0.010 million in 2020, \$0.196 million in 2021, \$0.374 million in 2022 and \$0.393 million over 2023-2027.

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

## ALIGNMENT WITH STRATEGIC PLAN

The 2018-2027 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 21<sup>st</sup> century service excellence.

## **DECISION HISTORY**

At the meeting on November 20, 2017, the Library Board approved the [2018-2027 Capital Budget and Plan Submission - Revised](#) report of \$21.633 million debt (\$27.751 million gross) in 2018 and \$248.495 million debt (\$354.358 million gross) over 2018-2027, which was comprised of \$178.755 million debt (\$264.830 million gross) meeting debt targets and \$69.740 million debt (\$89.528 million gross) above the debt targets.

At the meeting on November 30, 2017, the City's Budget Committee began consideration of the 2018 Preliminary Operating Budget and 2018-2027 Preliminary Capital Budget & Plan as presented by the City Manager. The 2018-2027 Preliminary Plan for TPL was \$180.255 million debt (\$266.330 million gross), which equalled the Board funding request meeting debt targets plus \$1.500 million gross and debt of additional funding beyond the debt target in 2018 for the Multi-Branch Minor Renovation Program to help address the SOGR backlog. The Preliminary Plan did not include any of the seven projects totalling \$69.740 million debt (\$89.528 million gross) over 2018-2027 that are in the funding request exceeding city debt targets.

At its final meeting on January 23, 2018, Budget Committee endorsed TPL's Preliminary 2018-2027 Capital Budget and Plan with no changes.

## **COMMENTS**

At its meeting on February 6, 2018, the Executive Committee endorsed the Budget Committee's recommended 2018-2027 Capital Budget and Plan.

At its meeting on February 12, 2018, Council approved the 2018-2027 capital budget and plan, as recommended by Executive Committee, of \$22.777 million debt (\$28.838 million gross) for 2018 and \$180.255 million debt (\$266.330 million gross) over 2018-2027, which includes \$1.500 million of additional debt funding beyond the City debt target in 2018 to address SOGR backlog at multiple branches, as well as a preliminary carry forward of \$1.214 million debt (\$5.490 million gross) from 2017 to 2018.

The projects included in the approved budget and plan are listed in Attachment 1. The 2018-2027 capital budget and plan does not include any of the seven projects totalling \$69.740 million of debt funding (\$89.528 million gross) included in the Board's submission exceeding debt target. The SOGR backlog, over the next 10 years, is expected to increase from \$60.855 million at the end of 2017 to \$146.36 million, which represents 14.9% of the total asset value, by the end of 2027. While there have been increases in funding above debt target in each of the last three years, there is still a significant increase in the SOGR backlog over the ten-year plan that will need to be addressed in future budgets.

Council approval of the 2018-2027 budget and plan confers authority to spend the 2018 budget only. Spending requirements for each of the future years have to be submitted annually for approval.

Section 24(2) of the Public Libraries Act requires the Board to adopt the annual estimates that have been approved by City Council.

## **CONTACT**

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## **SIGNATURE**

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Vickery Bowles  
City Librarian

## **ATTACHMENTS**

Attachment 1: Council Approved 2018-2027 Capital Budget & Plan – Gross and Debt  
Funding

