

Analyst Briefing Notes

Budget Committee

(November 3, 2009)

Page

PART I: RECOMMENDED ACTIONS

Executive Summary	2
Recommendations.....	6
2009 Capital Variance Review	7
10-Year Capital Plan (2010 Recommended Budget, 2011-2019 Recommended Plan)	8
10-Year Capital Plan Overview.....	10
10-Year Capital Plan: Incremental Operating Impact Summary.....	17
Total 2010 Recommended Cash Flow & Future Year Commitments	20
2010 Recommended Capital Budget: Overview	21

PART II: ISSUES FOR DISCUSSION

2010 Recommended Capital Budget Issues	N/A
2011-2019 Recommended Capital Plan Issues.....	23
Issues Referred to the 2010 Capital Budget Process	N/A
Outstanding Issues from Prior Years' Budgets	N/A

APPENDICES

Appendix 1: 10-Year Recommended Capital Plan Project Summary	25
Appendix 2: 2010 Recommended Capital Budget; 2011 to 2019 Capital Plan	26
Appendix 3: 2010 Recommended Cash Flow & Future Year Commitments	27
Appendix 4: 2010 Recommended Capital Projects with Financing Details	28
Appendix 5: 2010 Reserve / Reserve Fund Review	29
Appendix 6: 2010 to 2019 New and Expansion Facility Projects.....	30

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PART I: CAPITAL PROGRAM**Executive Summary**

- The 10-Year Recommended Capital Plan provides funding for 27 facility and 7 I&T projects that advance Toronto Public Library's strategic direction to enhance the virtual library, provide on-going state of good repair funding, and expand open hours to address the needs of vulnerable groups.
- The following summarizes the allocation of recommended funding by project type:
 - Construction of new facilities such as the West Waterfront Library, the Scarborough Centre Library, and the St. Lawrence Library to provide increased programming and expanded flexible spaces to address community needs;
 - Major renovation projects including the Cedarbrae Library, Brentwood Library, the Mount Dennis Library, and the Toronto Reference Library Revitalization to repair and maintain its existing assets in an acceptable state of good repair;
 - Expansion projects such as the York Woods Arts Hub project and the Malvern Library Media Lab project will create an outdoor entrance plaza to provide increased community spaces for cultural and community events; and,
 - I&T projects include the on-going Technology Asset Management Program and the Virtual Branch projects, as well as the Self-Services for Open Hours project, to maintain and improve TPL's investment in information technology infrastructure.
- The 2009 Approved Capital Budget of \$23.158 million was 53.64% or \$12.422 million spent, as at September 30th, 2009. Actual expenditures by year-end are projected to be \$19.735 million or 85.2% of the 2009 Approved Capital Budget. This projected spending rate is consistent with the 2008 spending rate of 91.4%.
 - Although the Program is projecting an under-expenditure of \$3.423 million for 2009, no carry forward funding has been recommended at this point in time. The Program is reviewing the overall 2009 cash flow requirements and will report on necessary 2009 carry forward funding into 2010 by year end.
- The 10-Year Recommended Capital Plan totals \$218.126 million, of which \$109.739 million is projected for the first 5 years, with the final 5 years requiring funding of \$108.387 million or 49.7%.
 - The 10-Year Recommended Capital Plan is primarily funded by debt, which account for approximately 66% or \$143.929 million. Development charges provide funding for approximately 17% or \$36.342 million. TPL's operating contribution (IT lease-end savings) towards IT projects for approximately 8% or \$17.08 million.

Federal government's Infrastructure Stimulus Fund (ISF) provides funding for 2% or \$3.960 million. Section 37/Developer agreements provide funding for approximately 1% or \$3.460 million. The Capital Financing Reserve Fund provides funding for 1% or \$3.320 million. Other funding sources including operational savings from branch closure and third party funding (Partnership Opportunity Legacy and private donations for the Toronto Reference Library renovation project) provides for the remaining 5% or \$10.034 million.

- Changes to the 2009-2018 Approved Capital Plan amount to \$19.289 million or 10.9% compared to the 2010 Recommended Capital Budget and 2011-2019 Recommended Plan. The overall increase of \$19.289 million is primarily due to the major renovation project at Toronto Reference Library (\$9.000 million), which is partially funded from ISF funding and higher inflationary construction costs due to project deferrals (\$4.519 million). Construction projects deferred from the 2009-2018 Approved Capital Plan include Brentwood library (completion deferred from 2011 to 2012), West Waterfront Library (completion deferred from 2011 to 2013), Scarborough Centre Library (completion deferred from 2012 to 2014), and St. Lawrence Library (completion deferred from 2014 to 2017). New projects added to the 10-Year Recommended Capital Plan include the York Woods Theatre/Art Hubs for \$0.510 million in 2010 (\$0.500 million from POL).
- Toronto Public Library has approved funding in the 10-Year Recommended Capital Plan of \$218.126 million, with Federal ISF program funding totalling \$11.880 million, with \$9.480 million in 2010 and \$2.400 million in 2011, allowing these projects to proceed with 1/3 federal stimulus funding. Funding has been approved for the major renovation at the Toronto Reference Library (\$2.850 million from ISF and \$5.700 million from non-city sources) and five minor renovations including the Fairview District Library, the North York Central Library, the Northern District Library, the Agincourt District Library, and the Richview District Library (\$1.110 million from ISF and \$2.220 million from City debt).
- The 10-Year Recommended Capital Plan includes operating impacts from previously approved and new/change in scope capital projects for 2010 of \$0.039 million; 2011 of \$0.332 million; 2012 of \$0.831 million; 2013 of \$1.077 million; 2014 of \$0.552 million; 2015 of \$0.279 million; 2016 of \$1.366 million; 2017 of \$1.150 million; 2018 of \$0.074 million; and 2019 of \$0.066 million. The operating impacts primarily arise from the reopening of the newly renovated Brentwood Library in 2011, the opening of the newly constructed West Waterfront Library in 2012, Scarborough Centre Library in 2013, and St. Lawrence Library in 2017.
- Toronto Public Library currently has a significant infrastructure state of good repair backlog, estimated at \$49.940 million by end of 2009, reflecting 8.4% of its asset replacement value of \$593.9 million. The 10-Year Recommended Capital Plan includes \$160.275 million or 73% towards SOGR projects. However, SOGR backlog from 2010 to 2019 continues to be a challenge as it is expected to increase from \$49.940 million in 2009 to \$78.558 million or 13.2% of its asset value by 2019, based on actual SOGR needs.

- The cash flow requirements for the 10-Year Recommended Capital Plan reflects realistic spending on phased facility projects based on project procurement planning and other requirements. For 2010, most of the projects are previously approved renovation/expansion projects which are underway and are expected to be completed as scheduled.
- The 10-Year Recommended Capital Plan supports the Mayor's priority by investing \$46.343 million in libraries located in priority neighbourhoods including :
 - The Albion Library renovation project provides funding to the redesigned 32,279 square feet building, which will be equipped with book security and self-service check out systems, increased programming and community meeting space, and expanded flexible spaces to support literacy services for adults and children (\$13.813 million);
 - The Agincourt Library renovation project provides funding for modifications to floor plan layouts to revitalize and maximize access to public spaces. This capital project also includes the implementation of self-service check out and a KidsStop early literacy interactive area (\$10.658 million);
 - The Cedarbrae Library renovation project provides funding for an expanded User Education Centre, reading lounges, a KidsStop early literacy interactive area for youth children, a Teen Zone, and outdoor community space (\$4.736 million);
 - The Malvern District Library expansion project provides funding for a Pro-Tech Media Centre and an outdoor plaza (\$1.995 million); and,
 - The Mount Dennis Library renovation project provides funding for the revitalization of the 1951 two storey building to increase study space and functional work spaces for public, as well as a KidsStop early literacy interactive centre (\$4.303 million).
- The 2010 Recommended Capital Budget for previously approved and new/change in scope projects of \$28.352 million is 84% allocated to state of good repair projects at \$23.934 million; and 16% to growth projects at \$4.418 million.
- Approval of the 2010 Recommended Capital Budget will result in commitments to future year for new/change in scope projects of \$18.708 million in 2011; \$15.628 million in 2012; \$10.623 million in 2013; \$10.117 million in 2014; \$8.262 million in 2015; \$5.823 million in 2016; and \$1.831 million in 2017. The 10-Year Recommended Capital Budget includes new/previously approved major renovation projects including the Toronto Reference Library, the Mount Dennis Library, the West Waterfront Library, the Scarborough Centre Library, and five ISF minor renovation projects.
- The 2009 summer labour disruption will not significantly impact Toronto Public Library's program delivery of the 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan.

- The 2010 Recommended Capital Budget of \$28.352 million gross (\$15.150 million debt) provides the needed funding for TPL to:
 - Begin the planning of the following libraries: the St. Lawrence Library project; the Bayview Library project; and Fairview Library project;
 - Continue construction of previously approved projects that include: the second year of the Self-Service for Expanding Open Hours project; the Brentwood Library renovation and expansion project; the Cedarbrae Library renovation project; the planning of the Scarborough Library construction project; the Toronto Reference Library renovation and expansion project; and the Virtual Branch Services project; and,
 - Complete projects including the Malvern Library expansion project and York Woods Theatre/Art Hub construction project.

Recommendations

The City Manager and Chief Financial Officer recommend that:

- (1) Council approve the 2010 Recommended Capital Budget for Toronto Public Library with a total project cost of \$20.145 million and a 2010 cash flow of \$28.352 million and future year commitments of \$70.992 million comprised of the following:
 - a) New Cash Flow Funding for:
 - i) 14 new/change in scope projects with a 2010 total project cost of \$20.145 million that requires a reduction of cash flow of \$(4.255) million in 2010 and \$(5.615) million in 2011, and future year commitments of \$6.673 million in 2012; \$5.151 million in 2013; \$3.638 million in 2014; \$6.899 million in 2015; \$5.823 million in 2016; and \$1.831 million in 2017;
 - ii) 13 previously approved projects with a 2010 cash flow of \$32.607 million and a future year commitment of \$24.323 million in 2011; \$8.955 million in 2012; \$5.472 million in 2013; \$6.479 million in 2014; and, \$1.363 million in 2015;
- (2) Council approve new debt service costs of \$0.036 million in 2010 and incremental debt costs of \$0.475 million in 2011, \$1.659 million in 2012, \$1.536 million in 2013, \$1.482 million in 2014, \$1.750 million in 2015, \$1.898 million in 2016, \$2.002 million in 2017, \$2.110 million in 2018, and \$2.201 million in 2019, to be included in the 2010 and future year operating budgets;
- (3) Council approve the 2011 – 2019 Recommended Capital Plan for Toronto Public Library totalling \$118.782 million in project estimates, comprised of \$0.279 million in 2011; \$5.162 million in 2012; \$9.299 million in 2013; \$11.571 million in 2014; \$15.282 million in 2015; \$17.446 million in 2016; \$18.724 million in 2017; \$19.587 million in 2018; \$21.432 million in 2019;
- (4) Council consider operating impacts of \$0.039 million in 2010; \$0.332 million in 2011; \$0.831 million in 2012; \$1.077 million in 2013; \$0.552 million in 2014; \$0.043 million in 2015; \$1.118 million in 2016; and \$1.103 million in 2017 emanating from the approval of the 2010 Recommended Capital Budget for inclusion in the 2010 Operating Budget and future year operating budgets;

PART I: CAPITAL PROGRAM

2009 Capital Variance Review

2009 Budget to Actuals Comparison - Total Gross Expenditures (\$000s)					
2009 Approved	Actuals as of September 30th (3rd Qtr Variance)		Projected Actuals at Year End		Balance
\$	\$	% Spent	\$	% Spent	\$ Unspent
23,158	12,422	53.6%	19,735	85.2%	3,423

The Toronto Public Library 2009 Approved Capital Budget of \$23.158 million was 53.6% or \$12.422 million spent, as at September 30th, 2009. Actual expenditures by year-end are anticipated to be \$19.735 million or 85.2% of the 2009 Approved Capital Budget. This projected spending rate is consistent with the 2008 spending rate of 91.4%. The lower year-end projected spending for 2009 is mainly due to the following:

- The working drawings are completed for the Brentwood Library reconstruction project. However, the construction tender date is dependent on the results of an October 22, 2009 Committee of Adjustment hearing;
- Timing delays in the implementation of the 2007 – 2009 Technology Asset Management Program are anticipated due to the lengthy contract negotiation. TPL expects the contract will be finalized in fall 2009; and,
- The construction of the Thorncliffe Neighbourhood Library is slightly behind schedule, with substantial completion anticipated in the spring of 2010. This is a co-development with Parks, Forestry and Recreation and Children's Services.

Although the Program is projecting an under-expenditure of \$3.423 million for 2009, no carry forward has been recommended at this point in time. The Program is reviewing the overall 2009 cash flow funding requirements and will report on necessary 2009 carry forward funding into 2010 by year end.

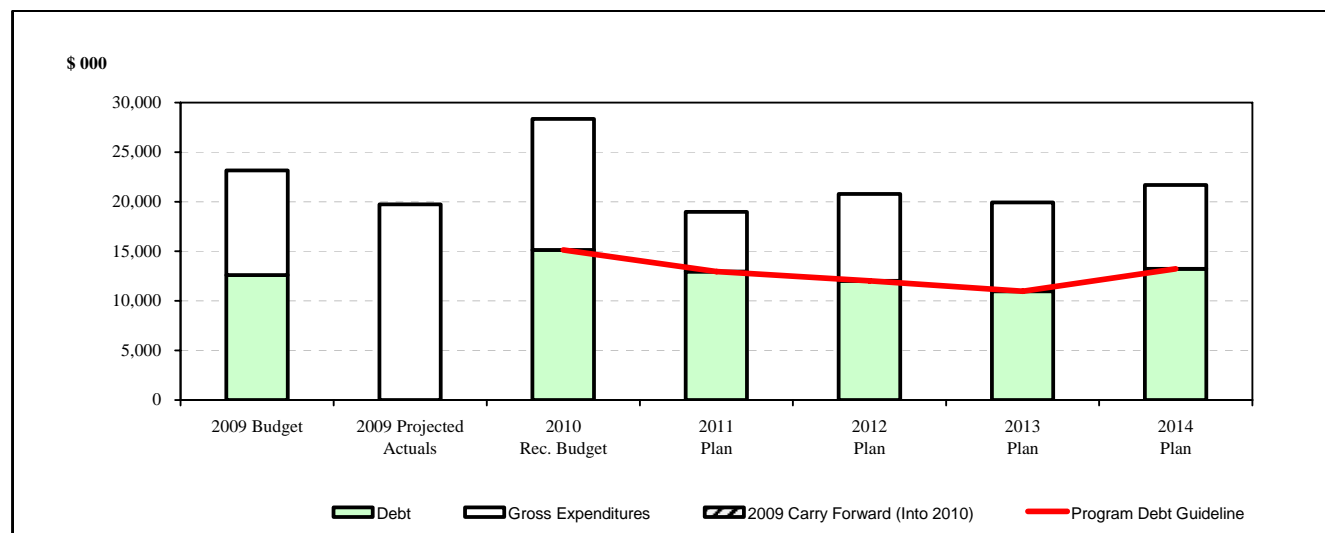
State of Good Repair projects represent 91.4% or \$21.173 million of the 2009 Approved Capital Budget. The projected year-end spending will be approximately 92% or \$19.525 million which represents consistent with the 2008 expenditure of \$19.120 million. The key State of Good Repair projects include:

- Major renovations at the Cedarbrae Library, the Toronto Reference Library;
- Minor renovations under the Multi-Branch program; and,
- I&T initiatives such as Technology Asset Management Program, Virtual Branch, and Self Service for Open Hours.

Although delays have been encountered for some projects at Toronto Public Library, it is not expected that the 2009 summer labour disruption will significantly impact TPL's capital program delivery.

10-Year Capital Plan

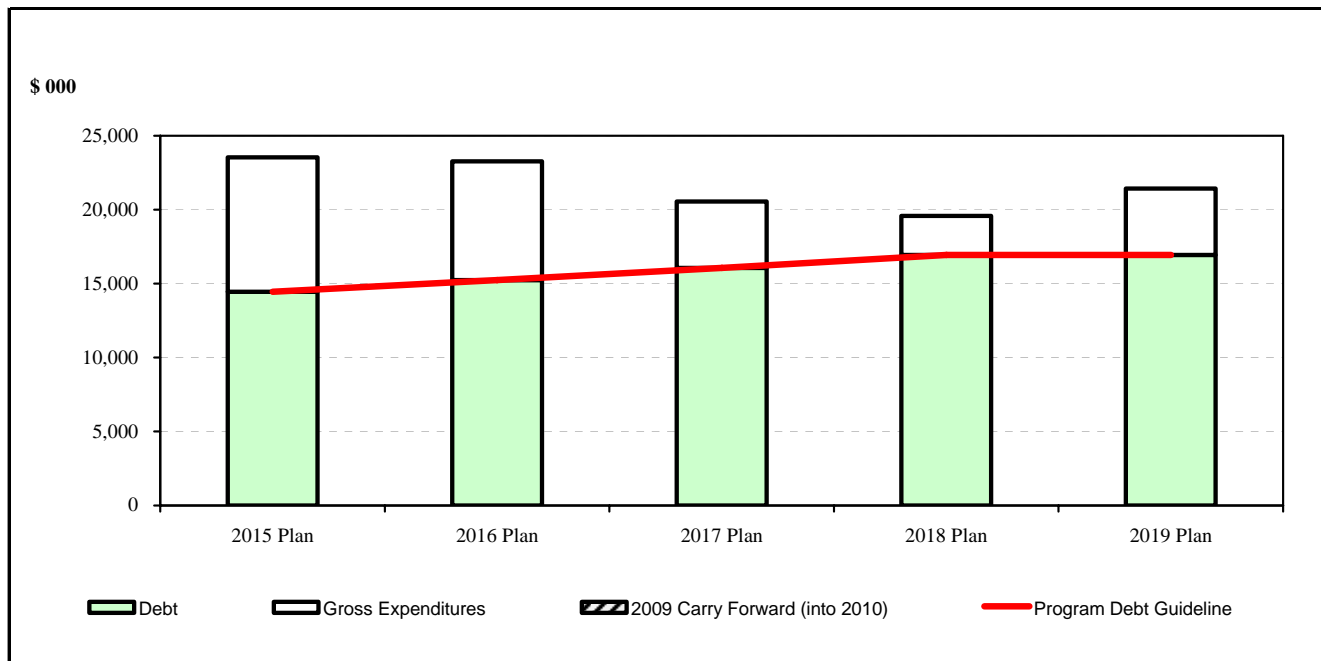
2010 Recommended Budget, 2011-2014 Recommended Plan



	2010 Rec. Budget and 2011-2014 Plan									
	2009		2010	2011	2012	2013	2014	2010-2014 Total	Five Year Percent	
	Budget	Projected Actual								
Gross Expenditures:										
2009 Capital Budget & Approved FY Commitments	23,158	19,735	23,942	20,526	7,464	5,472	6,479	63,883	58%	
Recommended Changes to Approved FY Commitments			8,665	3,797	1,491			13,953	13%	
2010 New/Change in Scope and FY Commitments			(4,255)	(5,615)	6,673	5,151	3,638	5,592	5%	
2011 - 2014 Capital Plan Estimates			0	279	5,162	9,299	11,571	26,311	24%	
1-Year Carry Forward to 2010*			→					0	0%	
Total Gross Annual Expenditures & Plan	23,158	19,735	28,352	18,987	20,790	19,922	21,688	109,739	100%	
Financing:										
Recommended Debt	12,590		15,150	12,941	12,021	10,968	13,230	64,310	59%	
Reserves/Reserve Funds	701		1,580	580	580		580	3,320	3%	
Development Charges	4,082		1,349	1,558	3,021	7,246	6,170	19,344	18%	
ISF / RInC			3,160	800				3,960	4%	
Provincial/Federal			0	0				0	0%	
Other Revenue	5,785		7,113	3,108	5,168	1,708	1,708	18,805	17%	
Total Financing	23,158		28,352	18,987	20,790	19,922	21,688	109,739	100%	
By Category:										
Health & Safety								0	0%	
Legislated								0	0%	
SOGR	21,173		23,934	15,218	12,034	8,954	11,457	71,597	65%	
Service Improvement								0	0%	
Growth Related	1,985		4,418	3,769	8,756	10,968	10,231	38,142	35%	
Total By Category	23,158		28,352	18,987	20,790	19,922	21,688	109,739	100%	
Yearly SOGR Backlog Estimate (addressed by current plan)			(6,184)	3,194	6,745	8,532	7,119			
Accumulated Backlog Estimate (end of year)		49,940	43,756	46,950	53,695	62,227	69,347			
Operating Impact on Program Costs			39	332	831	1,077	552			
Debt Service Costs			36	475	1,659	1,536	1,482			

*TPL is reviewing the overall 2009 cash flow requirements and will report on 2009 carry forward funding into 2010 by year-end.

10-Year Capital Plan 2015-2019 Recommended Plan



	2015-2019 Capital Plan					2010-2019 Total	10-Year Total Percent
	2015	2016	2017	2018	2019		
Gross Expenditures:							
2009 Capital Budget & Approved FY Commitments	1,363					65,246	30%
Recommended Changes to Approved FY Commitments						13,953	6%
2010 New/Change in Scope and Future Year Commitments	6,899	5,823	1,831			20,145	9%
2015 - 2019 Capital Plan Estimates	15,282	17,446	18,724	19,587	21,432	118,782	54%
Total Gross Annual Expenditures & Plan	23,544	23,269	20,555	19,587	21,432	218,126	100%
Financing:							
Recommended Debt	14,450	15,238	16,065	16,933	16,933	143,929	66%
Reserves/Reserve Funds						3,320	2%
Development Charges	7,386	5,023	1,167	631	2,791	36,342	17%
ISF / RInC						3,960	2%
Provincial/Federal						0	0%
Other Revenue	1,708	3,008	3,323	2,023	1,708	30,575	14%
Total Financing	23,544	23,269	20,555	19,587	21,432	218,126	100%
By Category:							
Health & Safety							
Legislated						0	0%
SOGR	16,591	16,870	16,416	18,649	20,152	160,275	73%
Service Improvement						0	0%
Growth Related	6,953	6,399	4,139	938	1,280	57,851	27%
Total By Category	23,544	23,269	20,555	19,587	21,432	218,126	100%
Yearly SOGR Backlog Estimate (addressed by current plan)	2,136	2,270	3,149	1,354	303		
Accumulated Backlog Estimate (end of year)	71,483	73,753	76,902	78,256	78,559		
Operating Impact on Program Costs	279	1,366	1,150	74	66		
Debt Service Costs	1,750	1,898	2,002	2,110	2,201		

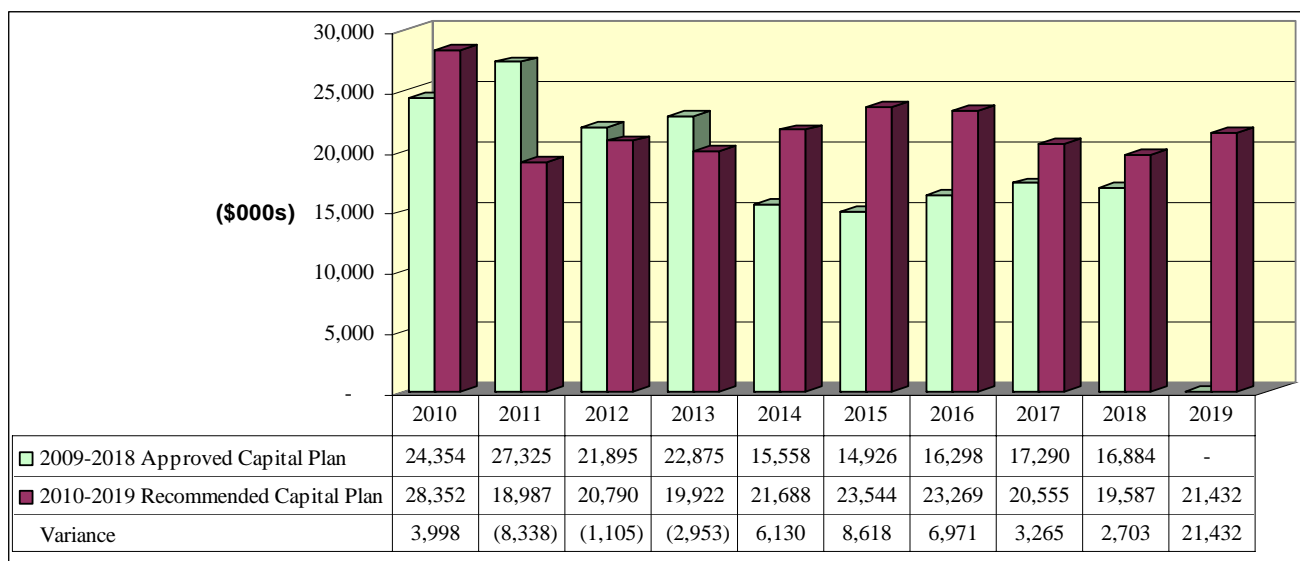
10-Year Capital Plan Overview

- Funding for the 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan balances the facility renovation needs for state of good repair and the need for new library branches/expansions, with the growing virtual branch e-services. In addition, funding is also provided for the implementation the Self-Service for Open Hours project, which will allow TPL to extend branches open hours during Monday to Saturday by 262 hours by 2013 without additional operating costs.
- The 10-Year Recommended Capital Plan is primarily funded from debt, which accounts for approximately \$143.929 million or 66%. Development charges provide funding of approximately 17% or \$36.343 million. TPL's operating contribution (IT lease-end savings) towards IT projects provides approximately 8% or \$17.08 million. Federal Infrastructure Stimulus Fund (ISF) provides funding for 2% or \$3.960 million. Section 37/Developer Agreements provide funding of approximately 1% or \$3.460 million. The Capital Financing Reserve Fund provides funding of 1% or \$3.320 million. Other funding sources including operational savings from branch closure and third party funding (Partnership Opportunity Legacy and private donations for the Toronto Reference Library renovation project) provides the remaining 5% or \$10.034 million.
- The 2009 summer labour disruption will not significantly impact Toronto Public Library's delivery of the 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan.
- The following summarizes the allocation of recommended funding by project category:
 - The 10-Year Recommended Capital Plan allocates \$160.275 million or 73% to 29 *State of Good Repair (SOGR) projects* that maintain assets in a state of good repair including reconstruction and renovation of existing libraries, and to maintain TPL's information technology infrastructure through the TAMP and Virtual Branch projects; and,
 - *Growth projects* totalling \$57.581 million or 27% comprised primarily of 13 expansion projects, as well as two new construction projects (the West Waterfront Library and the Scarborough Centre Library) to address additional services demanded by growing communities.
- The 10-Year Capital Plan fairly represents TPL's readiness to proceed and allocates a significant portion to SOGR projects to repair and maintain its existing assets in an acceptable state of good repair. The State of Good Repair Audit completed in July 2009 identified a \$49.940 million facility SOGR backlog, which is \$32.940 million larger than the estimates of \$17.0 million in 2008. Future SOGR requirements of all buildings maintained by TPL will be assessed and incorporated into the 2011 Capital Budget request. Based on an industry standard benchmark of 2% of the current asset replacement value \$593.9 million, the annual average SOGR need is \$13.6 million per year from 2010 to 2019. Given the current debt targets and the rising inflationary increases in construction costs, the SOGR backlog is expected to grow from \$49.940 million by the end of 2009 to \$78.558 million or 13.2% of asset replacement value by 2019, after the dedicated \$107.538 million in SOGR facility projects are funded in the 10-Year Recommended Capital Plan.

Key Changes to the 2010 – 2018 Capital Plan

The following table highlights the changes from the 2009 – 2018 Approved Capital Plan to the 10-Year Recommended Capital Plan. The 2010 Recommended Capital Budget of \$28.352 million in 2010 cash flow represents an increase of 16.4% or \$3.998 million compared to 2010 Approved Capital Plan and Estimates of \$24.354 million in 2009. There is a \$19.289 million or 10.9% increase in the 2010 Recommended Capital Budget and 2011-2018 Recommended Capital Plan over the 9 year period.

Changes to the 2009-2018 Approved Capital Plan



The major changes are outlined below:

- Five minor renovation projects (Fairview District Library, Northern District Library, Agincourt District Library, Richview District Library, and North York Central Library) have been accelerated to start in 2009, with cashflow commitments in 2010 and 2011. These projects are funded by Federal Infrastructure Stimulus funding (ISF). To qualify for ISF funding (\$1.421 million), the projects must be completed by March 2011. The City-debt funding of \$2.839 million required to accelerate these five projects are offset by a reduction of \$4.260 million in the Multi-Branch minor renovation Program from 2012 to 2014.
- A new Toronto Reference Library renovation project is added to the 2010 Recommended Capital Budget to revitalize and retrofit the 30 year old, 416,035 sq. ft. central library with specific focus on building structure, electrical and electrical infrastructure, finishes and barrier-free access deficiencies. This capital project totals \$9.0 million, with \$3.0 million from ISF and \$6.0 million from non-city sources. To qualify for ISF funding, the projects must be completed by March 2011.
- The portion of funding available from development charges has been reduced due to the general economic slowdown and the delayed implementation of the new 2009 Development Charge bylaw. When TPL prepared its 2009 Capital Budget and Plan in 2008, the Program developed its 2009 to 2018 Capital Plan based on the draft DC bylaw, which indicated TPL would receive \$58.272 million for its 31 projects. However, only \$39.352 million is now expected under the new Bylaw. Thus, changes to timing of cash flows for renovation and construction of Brentwood Library,

Sanderson Library, Scarborough Centre Library, St. Lawrence Library, and West Waterfront Library have been adjusted in order to ensure adequate funding in the development charge reserve.

- Project costs estimates have been revised to reflect the inflationary impact of deferring cash flows to the future. Projects impacted include:
 - Brentwood Library reconstruction project requires an increase in funding of \$0.831 million (completion deferred from 2011 to 2012);
 - St. Lawrence Library construction project requires an increase in funding of \$1.101 million (deferred construction completion from 2014 to 2017);
 - West Waterfront Library construction project requires an increase in funding of \$1.953 million (deferred completion of construction from 2011 to 2013); and ,
 - Scarborough Centre Library construction project requires an increase in funding of \$0.633 million (deferred completion of construction from 2013 to 2014).
- New projects added to the 10-Year Capital Plan include the York Woods Theatre/ Art Hubs for \$0.510 million in 2010 (\$0.5 million from POL).

Summary of Project Changes

Key Projects (\$000's)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2010 - 2018
ISF:										-
Fairview Library - minor renovation	690	150								840
North York Central Library- minor renovation	890	150								1,040
Northern District Library - minor renovation	650									650
Agincourt Library - minor renovation	360									360
Richview Library - minor renovation	440									440
Multi-Branch Minor Renovation Program			(720)	(1,770)	(1,770)					(4,260)
Toronto Reference Library - major renovation	6,450	2,100								8,550
sub-total: ISF projects	9,480	2,400	(720)	(1,770)	(1,770)	-	-	-	-	7,620
Brentwood Library	123	(607)	1,315							831
St. Lawrence Library	227	(3,017)	(3,595)	(2,775)	(640)	4,556	4,514	1,831		1,101
West Waterfront Library	(3,335)	(2,282)	4,079	3,491						1,953
Scarborough Centre Library	(2,001)	(3,152)	380	2,671	2,735					633
York Woods Arts Hub	510									510

Project Financing

The 10-Year Recommended Capital Plan totalling \$218.126 million in project commitments and estimates will be funded by \$143.929 million or 66% from debt, \$17.08 million or 7.8% will be funded from TPL’s operating contribution (IT lease-end savings), \$5.7 million or 2.6% will be funded by the Library Foundation for the Toronto Reference Library Renovation project, \$3.960 million or 1.8% will be funded from Federal ISF funding, \$3.460 million or 1.6% will be funded from Section 37/Developer Agreements, \$3.320 million or 1.5% will be funded from the Capital Financing Reserve Fund, \$3.230 million or 1.5% will be funded from operational savings from branch closure, and \$1.105 million or 0.5% will be funded from the Partnership Opportunity Legacy funding for the Malvern Library expansion project.

10-Year Recommended Capital Plan Versus Multi-Year Debt Targets

During the 2006 Budget Process, Council adopted the recommendation by the Budget Committee, that “the 2007-2010 debt guidelines for TPL, be set at \$11.0 million, and that Financial Planning staff review other reserve options to further reduce the debt requirements”. No reserve options were identified and based on corporate affordability, the TPL debt guideline was set at \$11.0 million.

During the 2008 Budget Process, Council adopted the recommendation by Budget Committee that the debt target for TPL be increased to \$12.850 million in 2008 (\$12.0 million for TPL’s projects, plus an additional \$0.850 million for a City’s Priority Neighbourhood project), remain at \$11.0 million for 2009 to 2010, and increased to \$12.0 million beginning 2011. The 2009 Approved Capital Budget and 2010 – 2018 Capital Plan further increased TPL’s debt target to \$11.950 million in 2009, \$12.630 million in 2010, \$12.740 million in 2011, \$12.741 million in 2012, and \$12.738 million in 2013 primarily to accommodate the Malvern Library expansion project, and the Self-Service for Expanding Open Hours project, which will allow TPL to increase service hours during regular Monday to Saturday schedule by 262 hours by 2013 with no additional operating costs.

In 2009, the debt targets for the period of 2009 to 2011 were further increased by \$0.620 million in 2009, \$2.020 million in 2010, and \$0.2 million in 2011 to incorporate the acceleration of minor renovation projects due to the Infrastructure Stimulus Fund established by the Federal government. Correspondingly, the debt targets for the period of 2012 to 2014 were reduced by \$0.720 million in 2012, and \$1.770 million per year in 2013 and 2014. For the period 2015-2019, debt targets were further increased by \$2.450 million in 2015, \$3.238 million in 2016, \$4.065 million in 2017, \$4.933 million per year in 2018 and 2019 to accommodate pressures arising from TPL’s Capital Plan.

The 2010-2019 Recommended Capital Plan for the Toronto Public Library meets the cumulative debt affordability target of \$143.929 million over the ten years of the Capital Plan. TPL has met the debt target by reprioritizing its capital projects and maximizing other funding sources including development charges, Section 37 funding, as well as funding from ISF, Reserves, and non-city sources.

Infrastructure Stimulus Fund (ISF)

Through Canada's Economic Action Plan, the Federal government has recently established a new \$4.000 billion Infrastructure Stimulus Fund (ISF). The Infrastructure Stimulus Fund complements existing federal and provincial infrastructure funding by focusing on short-term objectives for economic stimulus. The full \$4.000 billion has been distributed across Canada in fiscal years 2009-2010 and 2010-2011. Projects will focus largely on the rehabilitation of existing assets such as water; wastewater; public transit; highways; roads; buildings; parks; and, trails.

Toronto Public Library’s approved funding in the 10-Year Recommended Capital Plan is \$218.126 million, with the Federal government’s ISF program totalling \$11.880 million (\$9.480 million in 2010 and \$2.400 million in 2011) enabling these projects to proceed with 1/3 federal stimulus funding. As outlined in the table below, funding has been provided for the minor renovations at the Fairview Library, North York Central Library, Northern District Library, Agincourt Library, Richview Library that were accelerated from the 2012 – 2014 Multi-Branch Minor Renovation project, as well as the major renovation at the Toronto Reference Library. Funding from the ISF program will predominately be used to accelerate State of Good Repair projects to address TPL’s state of good repair backlog.

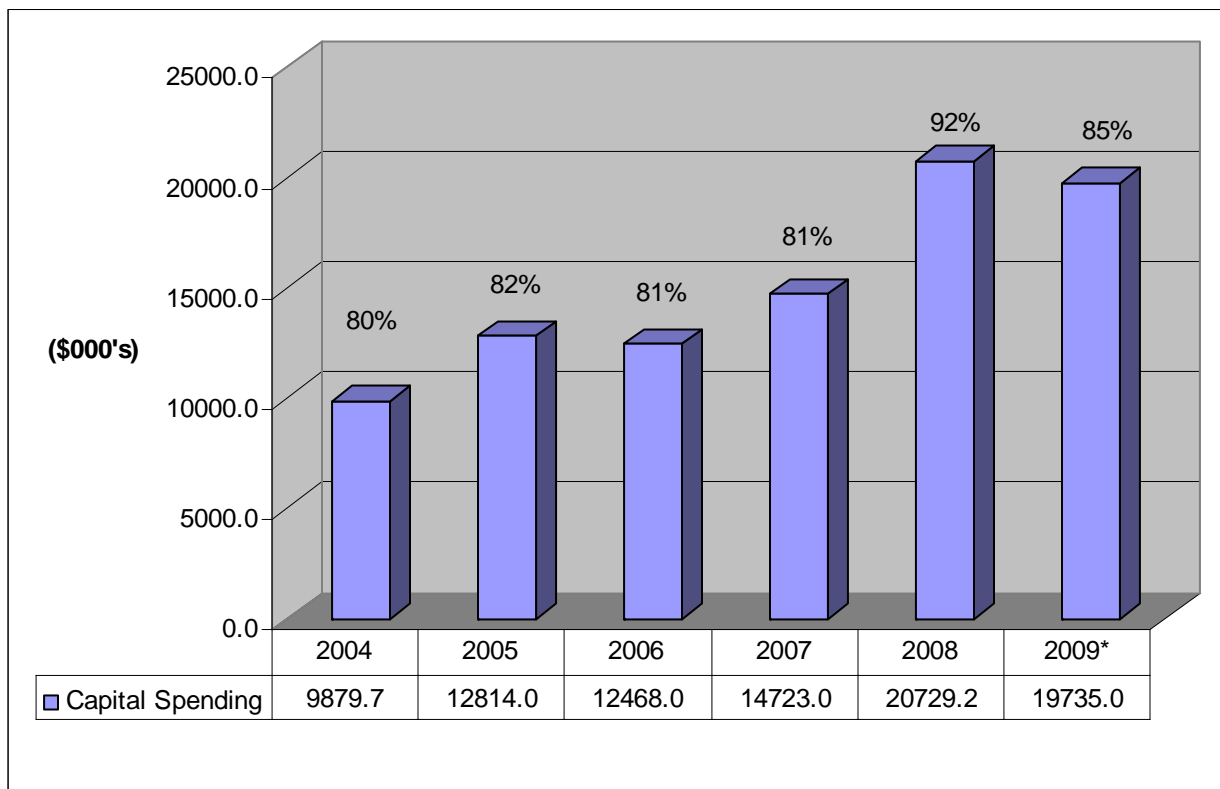
Infrastructure Stimulus Funding 2010 – 2011

Sub-Project	Total				2009			2010			2011		
	Total	Debt	ISF	Other	Debt	ISF	Other	Debt	ISF	Other	Debt	ISF	Other
Fairview Library - minor renovation	900	600	300		40	20		460	230		100	50	
North York Central Library - minor renovation	1,100	733	367		40	20		593	297		100	50	
Northern District Library - minor renovation	950	633	317		200	100		433	217				
Agincourt Library - minor renovation	810	540	270		300	150		240	120				
Richview Library - minor renovation	500	333	167		40	20		293	147				
Toronto Reference Library	9,000	0	3,000	6,000		150	300		2,150	4,300		700	1,400
Total	13,260	2,839	4,421	6,000	620	460	300	2,019	3,161	4,300	200	800	1,400

Program Capacity and Readiness to Proceed

The Toronto Public Library’s 2009 Approved Capital Budget of \$23.158 million was 53.6% or \$12.422 million spent as of September 30, 2009. Actual expenditures by year-end are anticipated to be \$19.735 million or 85.2% of the 2009 Approved Capital Budget, which is consistent with the 2008 spending rate of 91.4%. TPL has demonstrated the capacity to deliver, as its actual spending rate over the last six years has averaged 83% or \$15.058 million per year as outlined in the graph below.

Toronto Public Library Capital Budget Spending (2004 – 2009)



Note: *2009 Year-End Capital Budget Spending Rate Projection as of Sept. 30th, 2009.

For 2010, most of the projects are previously approved renovation/expansion projects with commitments. From a capacity and readiness standpoint, these projects are currently underway and are expected to be completed as scheduled.

The 5 minor renovation projects and the major renovation project at Toronto Reference Library partially funded by ISF have started in 2009. These projects are progressing according to plan and are ready to move forward into 2010. These projects are expected to be completed by March 2011.

Capital projects planned for 2010 to 2019 were prioritized to address the growing SOGR backlog. However, this requirement was balanced against the need for library expansions in high-need communities, the addition of two new branches (West Waterfront Library and Scarborough Centre Library) to deal with new development and population growth, as well as the increasing demand for e-services.

The 10-Year Capital Plan is based on state of good repair evaluations of library facilities. A comprehensive SOGR completed in July 2009 identified a current building SOGR backlog of \$49.940 million. These comprehensive evaluations of building conditions include architectural and structural assessments, and regulatory inspections. The cash flow requirements of the 10 – Year Recommended Capital Plan reflect realistic spending on phased facility projects based on project planning and procurement and other requirements.

State of Good Repair (SOGR) Backlog

Of 102 buildings maintained by TPL, approximately 20% are more than 50 years old and 60% are more than 25 years old. Today, TPL's average building is 37 years old and one third of the branches have not had a renovation in over 20 years.

A SOGR comprehensive audit of facilities and equipment was completed in July 2009. The audit identified a \$49.940 million building SOGR backlog, and that represents 8.4% of its asset replacement value (\$593.9 million) as of the end of 2009, which is \$32.940 million larger than 2008's estimate of \$17.0 million. An external consultant has completed a comprehensive review of all buildings maintained by TPL and is in the process of determining the future SOGR backlog per building per year based on its current conditions. The findings of the SOGR audit will be incorporated into TPL's 2011 Capital Budget Submission. However, based on an industry standard benchmark of 2% of the current asset replacement value of \$593.9 million, the annual average SOGR need is \$13.6 million per year from 2010 to 2019. The 10-Year Recommended Capital Plan includes a significant amount of funding of \$107.538 million to repair and maintain its existing assets in an acceptable state of good repair. However, even with the significant funding dedicated towards SOGR facility projects, the SOGR backlog is still expected to grow from \$49.940 million by end of 2009 to \$78.558 million by 2019, representing 13.2% of its total asset value.

Capital projects planned for 2010 to 2019 were prioritized to address urgent SOGR requirements. However, this requirement was balanced against the need for library expansions in high-need communities, the addition of two new branches (West Waterfront Library and Scarborough Centre Library) to deal with new development and population growth, as well as the increasing demand for e-services and funding for TPL's strategic priority for extending open hours.

There is no state of good repair backlog for information technology requirements at the end of 2009. TPL's owned assets are replaced on an on-going basis through IT project such as the Technology Asset Management Program (TAMP).

Capital Projects Highlights

Strategic Priority: Invest in Toronto’s 13 Priority Neighbourhoods

The 10-Year Recommended Capital Plan advances the City’s strategy priority to “Invest \$13 million in Toronto’s 13 Priority neighbourhoods”. The following table highlights key TPL capital projects that support this priority:

Ward	Project	Priority Neighbourhood	2010 Rec. Budget	2011	2012	2013	2014	5-Year Plan	2015 - 2019 Plan	2010 - 2019 Total
01	Albion Renovation	Jamestown					312	312	13,501	13,813
08	York Woods Arts Hub	Jane-Finch	510					510		510
11	Mount Dennis Renovation	Weston-Mt. Dennis	107	-	1,039	956	864	2,966	1,337	4,303
11	Weston	Weston-Mt. Dennis						-	209	209
31	Dawes Road Renovation/Expansion	Crescent Town					810	810	9,312	10,122
40	Agincourt Renovation/Expansion	Steeles L'amoreaux						-	10,658	10,658
42	Malvern District Library Expansion Youth Hub	Malvern	1,995					1,995		1,995
43	Cedarbrae Renovation	Kingstone Galloway	3,380	1,356				4,736		4,736
Total			5,992	1,356	1,039	956	1,986	11,329	35,017	46,346

The above-mentioned projects will allow TPL through the use of its improved facilities, to contribute further in promoting multi-ethnic culture, literacy and job skills, access to technology and employment opportunities, particularly to at-risk youth.

Other City Initiatives:

The TPL’s 10-Year Recommended Capital Plan includes the following major capital initiatives:

Summary of Major Capital Initiatives

(In \$Thousands)	2010 Rec. Budget	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2010-2019 Total
New & Expansion Facility Projects											
Fairview Library	126		133	2,071	2,081						4,411
Bayview Library	52				1,330	2,732	1,458				5,572
York Woods Arts Hub	510										510
Toronto Reference Library	2,262	2,614	4,659								9,535
Brentwood Library	2,950	3,463	1,315								7,728
West Waterfront Library		1,067	4,079	3,491							8,637
Scarborough Centre Library	90	608	2,578	2,671	2,735						8,682
Sanderson Library			75		1,134	2,369	1,309				4,887
Albion Library					312		2,557	3,997	4,294	2,653	13,813
Agincourt Library							266	1,712	4,417	4,263	10,658
ISF Projects	9,480	2,400									11,880
<i>Sub-total: New & Expansion Facility Projects</i>	15,470	10,152	12,839	8,233	7,592	5,101	5,590	5,709	8,711	6,916	86,313
IT Projects	5,873	6,179	6,179	4,508	5,208	4,958	4,958	4,958	4,958	4,958	52,737
Total	21,343	16,331	19,018	12,741	12,800	10,059	10,548	10,667	13,669	11,874	139,050

The 10-Year Recommended Capital Plan provides new/expanded facilities funding of \$86.313 million, examples include expansion/renovation of Brentwood Library, West Waterfront Library, Scarborough Centre Library, Sanderson Library, Albion Library, Agincourt Library, Bayview Library, Toronto Reference Library, the Fairview Library, and the York Woods Arts Hub projects.

Recommended funding for information technology projects amounts to \$52.737 million over the 2010 to 2019 timeframe. These projects include the investments in Virtual Branch (\$15.950 million) to enable TPL to improve e-services and expand digitized collection online; the Technology Assets Management Program (\$32.047 million) maintain TPL’s investment in information technology infrastructure; and the Self service for Open Hours (\$4.740 million) to respond to community needs.

10-Year Capital Plan Incremental Operating Impact Summary

(In \$Thousands)	2010 Rec. Budget	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2010-2019 Total
2010 Recommended Capital Budget											
Program Costs (Gross)	307	332	861	1,162	607	43	1,137	1,122			5,571
Program Costs (Revenue)	(268)		(30)	(85)	(55)		(19)	(19)			(476)
Program Costs (Net)	39	332	831	1,077	552	43	1,118	1,103	-	-	5,095
Approved Positions		5	11	12			18				47
Debt Service Costs	36	201	365	677	156	163	378	301	90	-	2,366
Recommended 10-Year Capital Plan											
Program Costs (Gross)						236	248	47	74	66	671
Program Costs (Revenue)								47	74	66	-
Program Costs (Net)	-	-	-	-	-	236	248	47	74	66	671
Approved Positions						3					3
Debt Service Costs		273	1,294	860	1,326	1,588	1,521	1,701	2,021	2,201	12,784
Total											
Program Costs (Gross)	307	332	861	1,162	607	279	1,385	1,169	74	66	6,242
Program Costs (Revenue)	(268)	-	(30)	(85)	(55)	-	(19)	(19)	-	-	(476)
Program Costs (Net)	39	332	831	1,077	552	279	1,366	1,150	74	66	5,766
Approved Positions	-	5	11	12	-	3	18	-	-	-	50
Debt Service Costs	36	475	1,659	1,536	1,482	1,750	1,898	2,002	2,110	2,201	15,150

Debt Service cost of repayment of principal and interest is calculated according to corporate guidelines, in the following manner: 2.5% Year 1, and 13% for subsequent years.

Approval of the 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan results in operating impacts from previously approved and new/change in scope capital projects for 2010 of \$0.039 million; 2011 of \$0.332 million; 2012 of \$0.831 million; 2013 of \$1.077 million; 2014 of \$0.552 million; 2015 of \$0.279 million; 2016 of \$1.366 million; 2017 of \$1.150 million; 2018 of \$0.074 million; and 2019 of \$0.066 million.

The net incremental operating costs include salaries, utilities, services and rents, materials, supplies and software licences due to the renovation and expansion of previously approved Library projects and new Library projects, as noted below.

Project Name	2010 Rec. Budget		2011 Plan		2012 Plan		2013 Plan		2014 Plan		2010 - 2014 Capital Plan		2015 - 2019 Capital Plan		Total 2010 - 2019	
	\$000's	Positions	\$000's	Positions	\$000's	Positions	\$000's	Positions	\$000's	Positions	\$000's	Positions	\$000's	Positions	\$000's	Positions
Previously Approved Projects																
Cedarbrae District Library	26.0		26.0								52.0	-			52.0	-
Sanderson Neighbourhood Library													30.0		30.0	-
Brentwood Library			306.0	5.40	306.0						612.0	5.4			612.0	5.4
Waterfront Neighbourhood Library					525.0	11.00	525.0				1,050.0	11.0			1,050.0	11.0
St. Lawrence Neighbourhood Library													2,206.0	18.5	2,206.0	18.5
Scarborough Centre Neighbourhood Library							511.0	11.00	511.0		1,022.0	11.0			1,022.0	11.0
Malvern District Library	10.0										10.0	-			10.0	-
New Projects - 2010																
Mount Dennis Neighbourhood Library													28.0		28.0	-
York Woods Library	3.0										3.0	-			3.0	-
Fairview Library Theatre							41.0	1.20	41.0		82.0	1.2			82.0	1.2
Bayview Neighbourhood Library													436.0	3.3	436.0	3.3
New Projects - Future Year																
Albion District Library													78.0		78.0	-
Agincourt District Library													27.0	-	27.0	-
Ellesmere Renovation and Expansion													36.0		36.0	-
Dawes Road Neighbourhood Library													70.0		70.0	-
St. Clair/Silverthorn Neighbourhood Library													24.0		24.0	-
Total Recommended (Net)	39.0	-	332.0	5.4	831.0	11.0	1,077.0	12.2	552.0	-	2,831.0	28.6	2,935.0	21.8	5,766.0	50.4

An additional 50.4 positions will be required once projects within the 10-Year Recommended Capital Plan are completed:

- 5.4 additional positions will be required in 2011 for the expansion of the Brentwood Library by over 3,885 square feet to 17,500 square feet, which will be equipped with a computer training centre, planned upgrades to its IT infrastructure to allow for increased access to electronic resources, and an increase in library materials by over 12,000 items (\$0.612 million);
- 11.0 new positions in 2012 will be required for the new 15,000 square foot Waterfront Neighbourhood Library, to be constructed on City-owned land that will service the Railway Lands community (Trinity-Niagara area), which is projected to grow by 12,000 residents. The Library will include an opening collection of 50,000 items and will feature an open floor plan including a barrier free access for the public, study seating, separate and sound proof multi-purpose programming space for branch and community use, installation of self-service technology, and protective security systems (\$1.050 million);
- 11.0 new positions in 2013 will be required for the new 15,000 square foot Scarborough Centre Neighbourhood Library, to be constructed on City-owned land that will service the Scarborough Town Centre and Civic Centre area. The area currently experienced significant increases in multi-family residential development and a projected population base of 30,000 to 40,000 residents will be realized. The Library will include an opening collection of 50,000 items and will feature an open floor plan including a barrier free access for the public, space for adults and children's collections, study and lounge seating, separate and sound proof multi-purpose programming space for branch and community use, installation of self-service technology, protective security systems (\$1.022 million);
- 1.2 additional positions in 2013 will be required for the Fairview Library Entrance expansion mainly for After Hours Attendant for security to support the enlarged Library entrance, which accommodates an external separate theatre entrance and marquee, a new lobby, expanded washroom facilities, as well as augmented production facilities and acoustic treatment between theatre and lobby (\$0.082 million);
- 3.3 additional positions will be required in 2015 for the expansion of the Bayview Neighbourhood Library of over 3,667 square feet to 10,000 square feet in a shared facility with Parks and Recreation. The newly constructed library allows for increased space for collections, computer workstations, public seating and study areas. The new library will also be equipped with the Self-Serve Check-out, wireless internet access, and an increase in library materials by over 7,000 items (\$0.436 million); and
- 18.5 new positions will be added in 2016 for the St. Lawrence Library Relocation/Expansion project due to the relocation of the existing library to another City-owned property currently occupied by TPL in the West Donlands community, which is projected to grow by 22,000 residents. The new 25,000 sq ft. district library will include a collection of 100,000 items, computers with internet access, open floor space, barrier free access, study and multipurpose programming space, gallery/exhibit space, focus areas for teens, children and adults, self-service technology, ultra-broadband intelligent communications infrastructure and wireless high speed internet access (\$2.206 million).

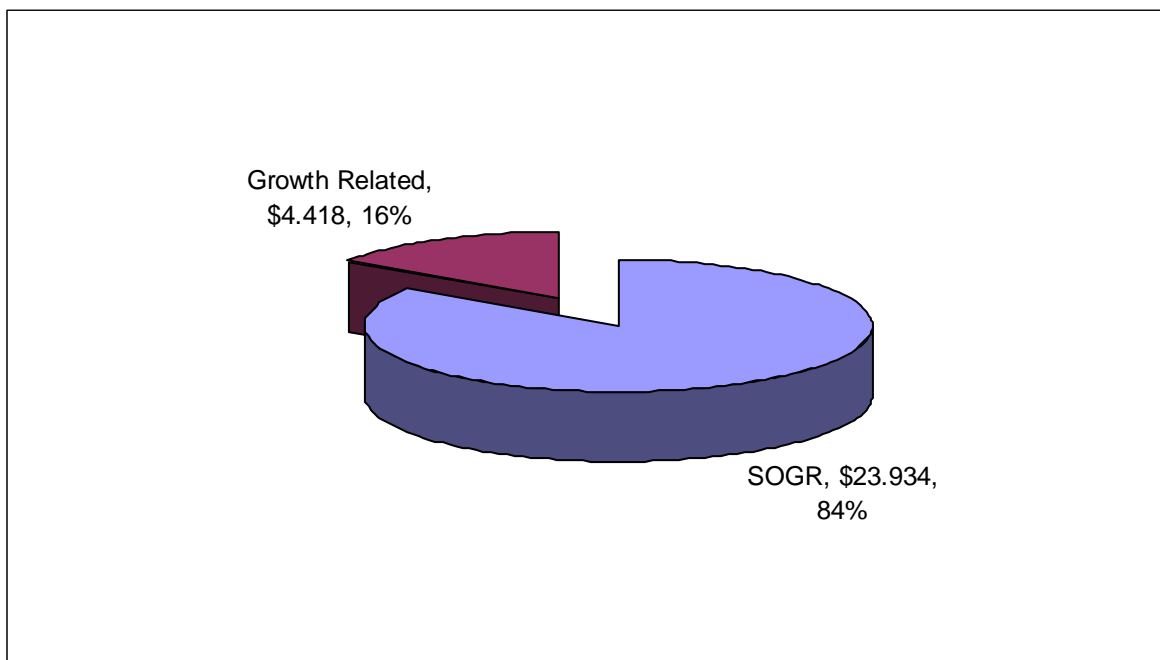
Total 2010 Recommended Cash Flow & Future Year Commitments

	2008 & Prior Year Carry Forwards	2010 Previously Approved Cash Flow Commitments	2010 New Cash Flow Rec'd	2010 Total Cash Flow Rec'd	2009 Carry Forwards	Total 2010 Cash Flow (Incl 2008 C/Fwd)	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total Cost
Expenditures																
Previously Approved		32,607		32,607		32,607	24,323	8,955	5,472	6,479	1,363					79,199
Change in Scope		(5,379)		(5,379)		(5,379)	(8,589)	2,254	2,124	693	5,562	5,823	1,831			4,319
New			1,124	1,124		1,124	2,974	4,419	3,027	2,945	1,337	0				15,826
New w/Future Year				0		0										0
Total Expenditure	0	27,228	1,124	28,352	0	28,352	18,708	15,628	10,623	10,117	8,262	5,823	1,831	0	0	99,344
Financing																
Debt		14,383	767	15,150		15,150	12,662	8,753	3,500	7,272	4,323	2,663	853			55,176
Reserves/Res Funds		1,580		1,580		1,580	580	580								2,740
Development Charges		992	357	1,349		1,349	1,558	2,835	7,123	2,845	3,939	3,160	978			23,787
ISF / RInC		3,160		3,160		3,160	800									3,960
Provincial/Federal				0		0										0
Other		7,113		7,113		7,113	3,108	3,460								13,681
Total Financing	0	27,228	1,124	28,352	0	28,352	18,708	15,628	10,623	10,117	8,262	5,823	1,831	0	0	99,344

- Toronto Public Library’s 2010 Recommended Capital Budget is \$28.352 million and provides funding for previously approved 2010 projects totalling \$32.607 million; and \$(4.255) million net reductions for new/change in scope projects.
- The change in scope projects are reductions of \$(5.379) million in 2010 and \$(8.589) million in 2011, as TPL reprioritized and realigned its capital projects to adjust for reduced DC funding due to the delayed implementation of the new 2009 Development Charge Bylaw.
- New projects starting in 2010 include: York Woods Theatre/Art Hubs construction, Mount Dennis Neighbourhood Library renovation. Development Charges of \$1.349 million will fund 8 projects in 2010. \$7.113 million of ‘Other’ financing mainly consists of \$1.708 million from TPL’s operating contribution for the TAMP project; \$4.300 million in Section 37/45 contributions for the Toronto Reference Library Retrofit/Expansion, and Partnership Opportunity Legacy funding of \$0.500 million and \$1.150 million for the York Woods Theatre/ Art Hub renovation and the Malvern Library renovation and expansion projects respectively. The 2010 Recommended Capital Budget of \$28.352 million also includes \$3.160 million in ISF funding for the renovation projects at Toronto Reference Library, Fairview Library, North York Centre Library, Northern District Library, Agincourt District Library, and Richview District Library.
- Approval of the 2010 Recommended Capital Budget will result in a commitment to future year funding for new/change in scope projects of \$(5.615) million in 2011; \$6.673 million in 2012; \$5.151 million in 2013; \$3.638 million in 2014; \$6.899 million in 2015; \$5.823 million in 2016; and \$1.831 million in 2017. The high rate of future year funding commitments reflects the nature of TPL’s capital program which includes many major renovation projects including the Toronto Reference Library, the Mount Dennis Library, the West Waterfront Library, the Scarborough Centre Library projects, and the five minor renovation projects partially funded by Federal ISF funding.

2010 Recommended Capital Budget: Overview

Capital Budget by Project Category



The following summarizes the allocation of recommended funding by project category:

- *State of Good Repair projects* amount to \$23.934 million or 84% of the total \$28.352 million in cashflow funding being recommended for 2010. State of good repair projects provide funding for extensive repairs to the building structure including the expansion of programming space, barrier free accessibility for the disabled, other energy efficiency measures to address the climate change initiative, as well as improve e-services and expanded open hours.
- *Growth projects* account for 16% or \$4.418 million of the 2010 Recommended Capital Budget and include initiatives that aim to address growing needs of the communities for additional spaces for reading lounges for adults, separate areas for teen, early literacy interactive areas for young children, and multi-purpose rooms which could be used for educational, cultural or training purposes.

2010 Recommended Capital Budget versus Debt Target

The debt target for TPL has increased significantly from \$11.0 million per year during the 2006 Budget process to \$15.150 million in 2010, \$12.941 million in 2011, \$12.021 million in 2012, \$10.968 million in 2013, \$13.230 million in 2014, \$14.450 million in 2015, \$15.238 million in 2016, \$16.065 million in 2017, and \$16.933 million per year from 2018 to 2019 in the 2010 to 2019 Recommended Capital Plan.

The 2010 Recommended Capital Budget requires cash flow of \$28.352 million with debt funding of \$15.150 million. The 2010 Recommended Capital Budget for the Toronto Public Library meets the 2010 debt affordability target of \$15.150 million.

Capacity and Readiness to Proceed

The 2010 Recommended Capital Budget is primarily comprised of projects that have begun or are continuing into 2010 with scope changes to accommodate the increased construction costs. From a capacity and readiness standpoint, these projects are currently underway and are expected to be completed as scheduled.

Capital Project Highlights

The 2010 Recommended Capital Budget supports the Mayor's priority by investing in at-risk neighbourhoods with recommended funding of \$5.992 million for the following:

- The Cedarbrae Library renovation project provides funding for an expanded User Education Centre, reading lounges, a KidsStop early literacy interactive area for youth children, a Teen Zone, and outdoor community space (\$3.380 million);
- The Malvern District Library expansion project provides funding for a Pro-Tech Media Centre and an outdoor entrance plaza (\$1.995 million);
- The Mount Dennis Library renovation project provides funding for the revitalization of the 1951 two storey building to increase study space and functional work spaces for public, as well as a KidsStop early literacy interactive centre (\$0.107 million); and,
- York Woods Library Arts hub project provides funding for the renovation of meeting room for community arts use and construction of rehearsal, storage, office space and public washroom (\$0.510 million).

The 2010 Recommended Capital Budget of \$28.442 million gross also provides funding for TPL to:

- Begin planning of the St. Lawrence Library renovation and expansion project, the Bayview Library relocation and expansion project, and Fairview Library renovation and expansion project;
- Continue previously approved projects including the second year of the Self-Service for Expanding Open Hours project; the Brentwood Library renovation and expansion project; the Cedarbrae Library renovation project; the planning of the Scarborough Library construction project; the Toronto Reference Library renovation and expansion project; and the Virtual Branch Services project; and,
- Complete the Malvern Library expansion project and the York Woods Arts Hub construction project.

PART II: ISSUES FOR DISCUSSION

2011 – 2019 Recommended Capital Plan Issues

IT Refresh (formerly TELS) in Toronto Public Library

Through its Technology Asset Management Program (TAMP), TPL is responsible for the acquisition, maintenance and replacement of all Information Technology hardware and software owned by the Library.

In 2005, the City directed that TPL's TAMP be transferred from the Operating Budget to the Capital Budget, financed through \$1.211 million in funds from Library's operating budget available from expired IT leases and \$1.0 million allocated from the City's Capital from Current (CFC) for a total of \$2.211 million. In addition, 2022 PCs, 350 monitors and 1 server were supplied through the City's Technology End of Lease Strategy program (TELS) at a cost of \$2.305 million.

The second replacement cycle of TELS involves 1,022 PCs and 350 monitors totalling at \$1.317 million in 2010 and 1,000 PCs for \$1.192 million in 2011, and will be funded by the City's IT Equipment Reserve.

The third replacement cycle of TELS involves 1,022 PCs and 350 monitors in 2015 for approximately \$1.317 million, and 1,000 PCs for approximately \$1.192 million in 2016. The following tables summarize the replacement cycle for TELS:

TELS	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2010-2014	2015	2016	2017	2018	2019	2015-2019
PCs	2,022					1,022	1,000				2,022	1,022	1,000				2,022
Monitors	350					350					350	350					350

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2010-2014	2015	2016	2017	2018	2019	2015-2019
Project Costs (Gross)	2,305																
PCs						1,218	1,192				2,410	1,218	1,192	-			2,410
Monitors						99	-				99	99	-	-			99
Total Gross	2,305	-	-	-		1,317	1,192	-	-		2,509	1,317	1,192	-	-		2,509
Financed By:																	
City's IT Equipment Reserve	2,305					1,317	1,192	-	-		2,509	1,317	1,192	-	-		2,509

Although the 2010/2011 replacement cycle will be funded by the City's IT Equipment Reserve, the IT Equipment Reserve may not have sufficient funds available for the next PC replacement cycle for all Programs including TPL in 2015. I&T and the Financial Planning Division will conduct an in-depth review of the IT Equipment Reserve and the future PC replacement funding requirement to develop a replacement strategy for the City, including TPL, in order to ensure the reserve is sustainable beyond 2015.

Development Charge Funded Projects

TPL developed its 10-Year Capital Plan based on the City of Toronto's 2008 Development Charge Background Study, which included potential eligible development charges of \$39.395 million for 31 libraries for the period 2010 to 2019 to meet the service growth within the City of Toronto, especially for the libraries located in high need areas. Library materials are also eligible for DC funding under City's By-Law and in prior years Council approved to fund a portion of the library materials budget with DC funding in order to allow the library materials budget to meet growth needs during a period of constrained budget increases. To preserve the DC funding for TPL's capital projects, the 2009 DC contribution for library materials was reduced by \$0.551 million from \$2.051 million in 2008 to \$1.500 million in 2009.

The projected 2009 year-end balance for the Development Charge Reserve Fund for Library is \$3.842 million. The 10-Year Recommended Capital Plan requires DC funding of \$51.342 million, of which \$36.342 million is allocated to capital projects and \$15.000 million is allocated to library materials. The projected DC contributions to the reserve are estimated to be \$34.420 million from 2010 to 2019, resulting in an estimated shortfall of \$13.080 million. Based on the eligible projects included in the 10-Year Recommended Capital Plan, the reserve will be insufficient to fund TPL's capital projects and on-going library materials starting in 2013. Thus, TPL will revise its 2011 to 2019 DC requirements, including the possible deferral/reprioritization of capital projects for the 2011 Capital Budget process, to ensure adequate DC funding is available.

Appendix 1

10-Year Recommended Capital Plan Project Summary

Project	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2019
Toronto Reference Library	8,712	4,714	4,659	-	-	-	-	-	-	-	18,085
Cedarbrae Library	3,380	1,356	-	-	-	-	-	-	-	-	4,736
Brentwood Library	2,950	3,463	1,315	-	-	-	-	-	-	-	7,728
Self Service for Open Hours (RFID)	1,398	1,671	1,671	-	-	-	-	-	-	-	4,740
Malvern Media Lab Expansion	1,995	-	-	-	-	-	-	-	-	-	1,995
Tech Asset Mgmt Prg	3,175	3,208	3,208	3,208	3,208	3,208	3,208	3,208	3,208	3,208	32,047
Virtual Branch Services	1,300	1,300	1,300	1,300	2,000	1,750	1,750	1,750	1,750	1,750	15,950
Multi-Branch Renovation Program	4,330	1,600	580	730	730	2,500	2,500	2,500	2,500	2,500	20,470
St. Lawrence Library	227	-	-	1,434	3,303	4,556	4,514	1,831	-	-	15,865
West Waterfront Expansion	-	1,067	4,079	3,491	-	-	-	-	-	-	8,637
Scarborough Centre Expansion	90	608	2,578	2,671	2,735	-	-	-	-	-	8,682
York Woods Arts Hub Renovation	510	-	-	-	-	-	-	-	-	-	510
Mount Dennis Renovation	107	-	1,039	956	864	1,337	-	-	-	-	4,303
Fairview Library	126	-	133	2,071	2,081	-	-	-	-	-	4,411
Bayview Library	52	-	-	-	1,330	2,732	1,458	-	-	-	5,572
Ellesmere Relocation	-	-	153	3,935	3,181	4,026	2,328	-	-	-	13,623
Sanderson Renovation	-	-	75	-	1,134	2,369	1,309	-	-	-	4,887
Dawes Road Library	-	-	-	-	810	1,066	2,265	3,603	2,378	-	10,122
St. Clair/ Silverthorn Library	-	-	-	126	-	-	1,114	1,001	-	-	2,241
Albion Renovation	-	-	-	-	312	-	2,557	3,997	4,294	2,653	13,813
Agincourt Library	-	-	-	-	-	-	266	1,712	4,417	4,263	10,658
Northern District Renovation	-	-	-	-	-	-	-	-	676	-	676
Albert Campbell Renovation	-	-	-	-	-	-	-	298	-	2,404	2,702
North York Central Renovation	-	-	-	-	-	-	-	375	-	1,875	2,250
Parliament Street Renovation	-	-	-	-	-	-	-	169	-	1,448	1,617
Jones Library	-	-	-	-	-	-	-	111	-	1,079	1,190
Weston Renovation	-	-	-	-	-	-	-	-	209	-	209
High Park Renovation	-	-	-	-	-	-	-	-	155	-	155
Guildwood Library	-	-	-	-	-	-	-	-	-	252	252
TOTAL	28,352	18,987	20,790	19,922	21,688	23,544	23,269	20,555	19,587	21,432	218,126

Appendix 2
2010 Recommended Capital Budget; 2011 to 2019 Capital Plan

Appendix 3
2010 Recommended Cash Flow
and Future Year Commitments

Appendix 4
2010 Recommended Capital Projects
with Financing Details

Appendix 5

Reserve / Reserve Fund Review

Reserve / Reserve Fund Name	Project / SubProject Name and Number	Projected Balance as at Dec. 31, 2009	Proposed Withdrawals											2010 - 2019 Total
			2010 Rec. Budget	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan		
XR2029 - Development Charge Reserve Fund - Library	Beginning Balance	\$ 3,842	\$ 3,842	\$ 3,423	\$ 3,025	\$ 1,444	\$ (4,052)	\$ (8,142)	\$ (13,348)	\$ (16,081)	\$ (14,838)	\$ (12,939)		
	Toronto Reference Library				\$ (1,495)								\$ (1,495)	
	Cedarbrae Library		\$ 241	\$ (46)									\$ 195	
	Brentwood Library		\$ (916)	\$ (383)	\$ (12)								\$ (1,311)	
	Multi-Branch Renovation Program		\$ (62)	\$ (62)	\$ (62)	\$ (120)	\$ (120)	\$ (120)	\$ (120)	\$ (120)	\$ (120)	\$ (120)	\$ (1,026)	
	St. Lawrence Library		\$ (227)			\$ (34)	\$ (216)	\$ (3,595)	\$ (3,160)	\$ (978)			\$ (8,210)	
	West Waterfront Library			\$ (1,067)	\$ (685)	\$ (3,491)							\$ (5,243)	
	Scarborough Centre Library		\$ (90)		\$ (493)	\$ (2,113)	\$ (2,629)						\$ (5,325)	
	York Woods Arts Hub		\$ (10)										\$ (10)	
	Mount Dennis Library		\$ (107)					\$ (31)					\$ (138)	
	Fairview Library		\$ (126)		\$ (133)	\$ (1,485)							\$ (1,744)	
	Bayview Library		\$ (52)				\$ (740)	\$ (779)					\$ (1,571)	
	Ellesmere Relocation				\$ (141)	\$ (3)	\$ (2,153)	\$ (1,482)	\$ (150)				\$ (3,929)	
	Sanderson Library							\$ (313)					\$ (313)	
	Dawes Road Library							\$ (1,066)	\$ (829)	\$ (24)	\$ (359)		\$ (2,278)	
	St. Clair/ Silverthorn Library								\$ (192)				\$ (192)	
	Albion Library						\$ (312)		\$ (306)				\$ (618)	
	Agincourt Library								\$ (266)				\$ (266)	
	Albert Campbell Library											\$ (539)	\$ (539)	
	North York Central Library									\$ (45)			\$ (1,137)	
	Parliament Library											\$ (407)	\$ (407)	
	Jones Library											\$ (588)	\$ (588)	
	Weston Library										\$ (152)		\$ (152)	
Library Material		\$ (1,500)	\$ (1,500)	\$ (1,500)	\$ (1,500)	\$ (1,500)	\$ (1,500)	\$ (1,500)	\$ (1,500)	\$ (1,500)	\$ (1,500)	\$ (15,000)		
Total Proposed Withdrawals		\$ (2,849)	\$ (3,058)	\$ (4,521)	\$ (8,746)	\$ (7,670)	\$ (8,886)	\$ (6,523)	\$ (2,667)	\$ (2,131)	\$ (4,291)	\$ (51,342)		
Projected Contributions		\$ 2,430	\$ 2,660	\$ 2,940	\$ 3,250	\$ 3,580	\$ 3,680	\$ 3,790	\$ 3,910	\$ 4,030	\$ 4,150	\$ 34,420		
TOTAL RESERVE FUND BALANCE AT YEAR-END		\$ 3,842	\$ 3,423	\$ 3,025	\$ 1,444	\$ (4,052)	\$ (8,142)	\$ (13,348)	\$ (16,081)	\$ (14,838)	\$ (12,939)	\$ (13,080)		

Note: TPL to monitor the DC contributions and withdrawal annually, and make necessary adjustments to its capital budget and plan, to ensure its DC Reserve Fund is not overdrawn from 2013 – 2019.

Appendix 6

2010 to 2019 New Facilities and Expansion Projects

Projects (In \$Thousands)	2010 Rec. Budget	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2010-2019 Total
Fairview Library Expansion	75		80	1,485	1,061						2,701
Bayveiv Library Expansion	19				788	1,054	395				2,256
Toronto Reference Library Expansion	50	775	1,611								2,436
York Woods Library Theatre/Arts Hub	510										510
											0
Total	654	775	1,691	1,485	1,849	1,054	395	0	0	0	7,903